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LEGISLATIVE HISTORY
Public Law 86-532
H. R. 12117

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INDEX AND SUMMARY OF H. R. 12117

- May 6, 1960 House Appropriations Committee reported H. R. 12117. H. Report No. 1592. Print of bill and report.
- May 10, 1960 House began and concluded general debate on H. R. 12117.
- May 11, 1960 House passed H. R. 12117 with amendments.
- May 12, 1960 H. R. 12117 was referred to the Senate Appropriations Committee. Print of bill as referred.
- May 17, 1960 Subcommittee approved H. R. 12117 with amendments.
- May 20, 1960 Senate committee reported with amendments H. R. 12117. S. Report No. 1404. Print of bill and report.
- May 23, 1960 Senate began debate on H. R. 12117.
- May 24, 1960 Senate passed H.R. 12117 with amendments.
Senate conferees were appointed.
- May 25, 1960 Sen. Dirksen discussed language in H. R. 12117 authorizing additional borrowing authority for certain loans.
- June 8, 1960 House conferees were appointed.
- June 13, 1960 Conferees agreed to file a report.
- June 14, 1960 House received conference report. H. Report No. 1863. Print of report.
Summary of the action of the conferees.
- June 15, 1960 Both Houses agreed to conference report.
- June 29, 1960 Approved: Public Law 86-532.

PUBLIC LAW 86-523 (S. 1185) PRESERVATION OF HISTORICAL AND ARCHEOLOGICAL DATA IN CONSTRUCTING DAMS (approved June 27, 1960). Provides for the preservation of historical and archeological data which might be lost or destroyed as a result of flooding, road building, erection of workmen's communities, etc., caused by the construction of dams. Requires written notice to the Secretary of the Interior by any Federal agency before it undertakes construction of a dam, or licenses any private individual or corporation to construct a dam, with the proviso that with respect to any floodwater retarding dam which provides less than five thousand acre-feet of detention capacity and with respect to any other type of dam which creates a reservoir of less than forty surface acres the provisions requiring written notice shall apply only when the constructing agency, in its preliminary surveys, finds, or is presented with evidence that historical or archeological materials exist or may be present in the proposed reservoir area.

PUBLIC LAW 86-529 (S. 1892) NORMAN, OKLAHOMA, RECLAMATION PROJECT (approved June 27, 1960). Authorizes the Secretary of the Interior to construct, operate, and maintain the Norman Federal reclamation project, Oklahoma, in accordance with the Federal reclamation laws.

DIGEST OF PUBLIC LAW 86-532

PUBLIC LAW 86-532 (H. R. 12117) DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION ACT, 1961 (approved June 29, 1960). Provides annual appropriations for regular activities for the Department of Agriculture (other than Forest Service) for fiscal year 1961 in the amount of \$1,478,250,100, plus \$1,443,634,000 under Title II for Reimbursement to Commodity Credit Corporation for cost of special activities. The Act also authorizes borrowings from the Secretary of the Treasury for Farmers Home Administration and Rural Electrification Administration loans in the amount of \$417,000,000, exclusive of contingency authorizations. Title II of the Act also authorizes the partial restoration of the June 30, 1959, and June 30, 1960 capital impairment of the Commodity Credit Corporation in the amount of \$1,226,500,000; it further provides for a CCC corporate administrative expense limitation of \$45,726,000, and continues 1960 language which provides that price support to any person on 1961 crops of supported commodities shall not exceed \$50,000 except under certain specified conditions. Title III of the Act provides limitations on administrative expenses of not to exceed \$2,480,000 for the Farm Credit Administration. Permanent appropriations for 1961 are available in the estimated amount of \$369,670,000. (At the end of this Digest is a table of appropriations for fiscal year 1961, including all supplemental appropriations to date, compared with 1959 and 1960).

Increases over 1960 were provided to meet employee health benefit costs pursuant to Public Law 86-382. Items of major significance in the Act for the Department of Agriculture, including amounts of increase and decrease over 1960 are as follows:

AGRICULTURAL RESEARCH SERVICE: \$193,109,200 appropriated, a net increase of \$10,401,902 above 1960. Changes include: Salaries and expenses - a net increase of \$1,105,610 for research; a net increase of \$2,435,400 for plant and animal disease and pest control which includes an increase of \$2,167,700 for the brucellosis eradication program; and an increase of \$237,100 for meat inspection activities. Salaries and expenses (special foreign currency program) - \$15,131,000 appropriated, an increase of \$3,074,500 over 1960. Construction of facilities - \$2,550,000 appropriated for planning and initiating construction authorized at not to exceed \$7,250,000. Payments to States - \$32,553,000, appropriated increase of \$999,292 over 1960.

EXTENSION SERVICE (Principally payments to States): \$67,431,000 appropriated, an increase of \$3,307,778.

SOIL CONSERVATION SERVICE: Conservation operations - \$83,132,000 appropriated (a net increase of \$810,000, primarily to provide for the staffing of an additional twenty districts during fiscal year 1961); Watershed protection - \$35,000,000 appropriated (a net increase of \$12,250,000 over 1960); Flood prevention - \$18,000,000 appropriated (same as 1960); Great Plains conservation program - \$10,000,000 appropriated (same as 1960).

AGRICULTURAL CONSERVATION PROGRAM SERVICE: \$242,000,000 appropriated which, together with balances available under the 1958 program, provides the full \$250,000,000 authorized for the 1960 program. Of the amount appropriated, not to exceed \$26,832,950 (same as 1960) is for administrative expenses. The Act also authorizes a \$250,000,000 program for the 1961 crop year.

AGRICULTURAL MARKETING SERVICE: Marketing research and service - \$43,094,900 appropriated (a net increase of \$1,627,800 over 1960); Payments to States - \$1,195,000 appropriated (same as 1960); School lunch program - \$110,000,000 appropriated (same as 1960). The Act also provides that \$45,000,000 (increase of \$1,342,752 over 1960) shall be transferred from Section 32 funds for purchase of agricultural commodities for distribution to schools.

FOREIGN AGRICULTURAL SERVICE: Salaries and expenses - \$4,487,000 appropriated (an increase of \$968,700 over 1960); Salaries and expenses (Special foreign currency program) - \$14,621,000 appropriated (an increase of \$8,777,622 over 1960).

COMMODITY STABILIZATION SERVICE: Acreage allotments and marketing quotas - \$40,135,000 appropriated (a net decrease of \$400,000 below 1960); Sugar Act program - \$74,500,000 appropriated (an increase of \$3,000,000 above 1960). Conservation reserve program - \$330,000,000 (a decrease of \$5,000,000 below 1960). Of the amount appropriated, not to exceed \$12,000,000 (decrease of \$6,600,000) shall be available for administrative expenses.

FEDERAL CROP INSURANCE CORPORATION: \$6,376,000 appropriated (a decrease of \$700 below 1960). Act also provides that not to exceed \$2,630,000 (increase of \$300,000) of administrative and operating expenses may be paid from premium income.

RURAL ELECTRIFICATION ADMINISTRATION: Loan authorizations - \$190,000,000 consisting of \$110,000,000 for electrification loans (decrease of \$26,000,000), and \$80,000,000 for telephone loans (decrease of \$24,000,000). In addition, a \$60,000,000 contingency fund was authorized for each program (increase of \$35,000,000). Salaries and expenses - \$9,632,000 appropriated (same as 1960).

FARMERS HOME ADMINISTRATION: Loan authorizations - \$227,000,000, consisting of \$26,900,000 for farm ownership loans (same as 1960), \$197,100,000 for farm operating loans (same as 1960) and \$3,000,000 for soil and water conservation (increase of \$1,000,000). In addition, a \$40,000,000 contingency fund was authorized (increase of \$20,000,000), of which not to exceed \$5,000,000 may be used for farm ownership loans and the balance for farm operating loans. Salaries and expenses - \$31,050,000 appropriated (increase of \$305,250).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of May 6, 1960
86th-2d, No. 33

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HIGHLIGHTS: House committee reported agricultural appropriation bill. Senate agreed to House amendment to depressed areas bill. House received conference report on mutual security authorization bill. Rep. Cooley introduced administration's bill to amend Public Law 480, and user charges bill.

HOUSE

AGRICULTURAL APPROPRIATION BILL FOR 1961. The Appropriations Committee reported without amendment this bill, H. R. 12117 (H. Rept. 1592). (Attached to this digest is a copy of the Committee report, at the end of which is included a summary table reflecting committee action on the bill.) p. 9067

MUTUAL SECURITY; FOREIGN AID. Received the conference report on H. R. 11510, the mutual security authorization bill (H. Rept. 1593) (pp. 9030-6). The action of the conferees provided as follows on certain items in disagreement: authorized, for 1 year, the use of surplus agricultural commodities on a grant basis to meet the requirements of needy people and to promote economic development in underdeveloped areas; authorized the payment of transportation charges to points of entry in landlocked countries for shipments under the Mutual Security Act or titles II and III of Public Law 480; authorized loans of foreign currencies to small farm operators in foreign countries to assist in improving agricultural methods and techniques; provided that "insofar as practicable" land and water resource projects in foreign countries be examined by qualified engineers financed under the Mutual Security Act in accordance with the general procedures prescribed in Circular A-47 of the Budget Bureau; deleted a proposed Senate amendment which would have amended Public Law 174, 79th Congress, so as to

strike out the \$3 million limitation on the annual U. S. contribution to the Food and Agriculture Organization; and provided that the President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture. See Digests 75 and 77 for a summary of other items of interest.

3. ATOMIC ENERGY. Passed without amendment H. R. 11713, authorizing appropriations for the Atomic Energy Commission. pp. 9037-56 (For a summary of this bill see Digest 71.)
4. AREA REDEVELOPMENT. Several Representatives urged the President to sign S. 722, the depressed areas bill. pp. 9058-62
Rep. Bow expressed his hope that the President would veto S. 722, and that a bill providing \$53,000,000 would be submitted and enacted in its place. pp. 9062-3
5. PERSONNEL. Rep. Lesinski urged support for his House Resolution 522 which "provides for a special investigation and study on the employment, utilization, and retention of older work^{ers} in the Federal Government." p. 9064
6. FARM PROGRAM. Rep. Flynn discussed the problem of farm surpluses, stating "the cheapest and easiest way of solving the problem of over-productivity and surplus ... is to remove from production, a sufficient number of acres to accomplish this result." He also inserted the text of his bill H. R. 12005, which he says will accomplish this. pp. 9064-6
7. ADJOURNED until Mon., May 9. p. 9067

SENATE

8. DEPRESSED AREAS. By a vote of 45 to 32, agreed to the House amendment to S. 722, to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas (pp. 8983-9002). This bill will now be sent to the President. See Digest 81 for a summary of the provisions of the bill as agreed to.
9. SUGAR; TOBACCO. Sen. Frear referred to a statement by Rep. Levering that "the Philippines had been denied increases in its sugar quota because of its ban on American tobacco, while no such action had been taken against Cuba," urged an increase in sugar quota for the Philippines, and inserted several items discussing this matter. pp. 9019-20
10. NATURAL RESOURCES. Sen. O'Mahoney commended the service of Sen. Murray, stating that he "has always labored for the development of the resources of our great West -- the water, the soil, the timber, the oil and other minerals." pp. 9008-9
11. LEGISLATIVE PROGRAM. Sen. Johnson commended recent accomplishments of the Senate, and listed legislation to be considered before Congress adjourns, including a farm bill, medical assistance for the aged, Federal pay raise bill, housing bill, and social security bill. pp. 9013-4
12. ADJOURNED until Mon., May 9. p. 9027

Union Calendar No. 692

86TH CONGRESS
2D SESSION

H. R. 12117

[Report No. 1592]

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 1960

Mr. WHITTEN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1961; namely:

1 DEPARTMENT OF AGRICULTURE
2 TITLE I—REGULAR ACTIVITIES
3 AGRICULTURAL RESEARCH SERVICE
4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, and home economics, to
7 control and eradicate pests and plant and animal diseases,
8 and to perform related inspection, quarantine and regulatory
9 work, and meat inspection: *Provided*, That not to exceed
10 \$75,000 of the appropriations hereunder shall be available
11 for employment pursuant to the second sentence of section
12 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
13 amended by section 15 of the Act of August 2, 1946 (5
14 U.S.C. 55a) : *Provided further*, That appropriations here-
15 under shall be available for the operation and maintenance
16 of aircraft and the purchase of not to exceed two, of which
17 one shall be for replacement only: *Provided further*, That
18 appropriations hereunder shall be available pursuant to title
19 5, United States Code, section 565a, for the construction,
20 alteration, and repair of buildings and improvements, but
21 unless otherwise provided, the cost of constructing any one
22 building (except headhouses connecting greenhouses) shall
23 not exceed \$15,000, except for five buildings to be con-
24 structed or improved at a cost not to exceed \$30,000 each,
25 and the cost of altering any one building during the fiscal

1 year shall not exceed \$5,000 or 5 per centum of the cost
2 of the building, whichever is greater:

3 Research: For research and demonstrations on the
4 production and utilization of agricultural products, home
5 economics, and related research and services, including
6 administration of payments to State agricultural experiment
7 stations, \$67,934,000: *Provided*, That the limitations con-
8 tained herein shall not apply to replacement of buildings
9 needed to carry out the Act of April 24, 1948 (21 U.S.C.
10 113a), or to not to exceed \$1,000,000 to remain available
11 until expended for the construction and alteration of build-
12 ings: *Provided further*, That the Secretary of Agriculture
13 may sell the Entomology Research Laboratory at Orlando,
14 Florida, in such manner and upon such terms and conditions
15 as he deems advantageous and the proceeds of such sale shall
16 remain available until expended for the establishment of an
17 entomology research laboratory: *Provided further*, That in
18 the establishment of such laboratory the Secretary may
19 acquire land therefor by donation or exchange;

20 Plant and animal disease and pest control: For opera-
21 tions and measures, not otherwise provided for, to control
22 and eradicate pests and plant and animal diseases and for
23 carrying out assigned inspection, quarantine, and regulatory
24 activities, as authorized by law, including expenses pursuant
25 to the Act of February 28, 1947 (21 U.S.C. 114b-d),

1 \$52,011,000, of which \$1,500,000 shall be apportioned for
2 use pursuant to section 3679 of the Revised Statutes, as
3 amended, for the control of outbreaks of insects and plant
4 diseases to the extent necessary to meet emergency
5 conditions;

6 Meat inspection: For carrying out the provisions of
7 laws relating to Federal inspection of meat, and meat-food
8 products, and the applicable provisions of the laws relating
9 to process or renovated butter, \$21,562,000;

10 Special fund: To provide for additional labor to be em-
11 ployed under contracts and cooperative agreements to
12 strengthen the work at research installations in the field, not
13 more than \$1,000,000 of the amount appropriated under
14 this head for the fiscal year 1960 may be used by the Ad-
15 ministrator of the Agricultural Research Service in depart-
16 mental research programs in the fiscal year 1961, the amount
17 so used to be transferred to and merged with the appro-
18 priation otherwise available under "Salaries and expenses,
19 Research".

20 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY
21 PROGRAM)

22 For purchase of foreign currencies which accrue under
23 title I of the Agricultural Trade Development and Assistance
24 Act of 1954, as amended (7 U.S.C. 1704), for market de-
25 velopment research authorized by section 104 (a), and for

1 agricultural and forestry research authorized by section
2 104 (k) of that Act, to remain available until expended,
3 \$15,131,000: *Provided*, That the dollar value of the unex-
4 pended balances, as of June 30, 1960, of allocations of
5 foreign currencies heretofore made available to the Agri-
6 cultural Research Service for the foregoing purposes of sec-
7 tion 104 (a) is appropriated as of that date and shall be
8 merged with this appropriation: *Provided further*, that funds
9 appropriated herein shall be used to purchase such foreign
10 currencies as the Department determines are needed and
11 can be used most effectively to carry out the purposes of this
12 paragraph, and such foreign currencies shall, pursuant to
13 the provisions of section 104 (a), be set aside for sale to the
14 Department before foreign currencies which accrue under
15 said title I are made available for other United States uses.

16 STATE EXPERIMENT STATIONS

17 Payments to States and Puerto Rico: For payments
18 to agricultural experiment stations to carry into effect the
19 provisions of the Hatch Act, approved March 2, 1887, as
20 amended by the Act approved August 11, 1955 (7 U.S.C.
21 361a-361i), including administration by the United States
22 Department of Agriculture, \$31,053,000; and payments
23 authorized under section 204 (b) of the Agricultural Mar-
24 keting Act, the Act approved August 14, 1946 (7 U.S.C.
25 1623), \$500,000; in all, \$31,553,000.

1 Penalty mail: For penalty mail costs of agricultural
2 experiment stations under section 6 of the Hatch Act of
3 1887, as amended, \$250,000.

4 DISEASES OF ANIMALS AND POULTRY

5 Eradication activities: For expenses necessary in the
6 arrest and eradication of foot-and-mouth disease, rinderpest,
7 contagious pleuropneumonia, or other contagious or infectious
8 diseases of animals, or European fowl pest and similar dis-
9 eases in poultry, and for foot-and-mouth disease and rinder-
10 pest programs undertaken pursuant to the provisions of the
11 Act of February 28, 1947, and the Act of May 29, 1884,
12 as amended (7 U.S.C. 391; 21 U.S.C. 111-122), including
13 expenses in accordance with section 2 of said Act of Febru-
14 ary 28, 1947, the Secretary may transfer from other ap-
15 propriations or funds available to the bureaus, corporations,
16 or agencies of the Department such sums as he may deem
17 necessary, to be available only in an emergency which
18 threatens the livestock or poultry industry of the country,
19 and any unexpended balances of funds transferred under
20 this head in the next preceding fiscal year shall be merged
21 with such transferred amounts: *Provided*, That this appropri-
22 ation shall be subject to applicable provisions contained in the
23 item "Salaries and expenses, Agricultural Research Service".

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), \$54,220,000; and payments and contracts for such work under section 204 (b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000; in all, \$55,715,000: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year: *Provided further*, That all of the additional funds provided herein shall be used to meet expenses at the county level.

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, \$5,875,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$2,490,000.

Federal Extension Service: For administration of the

1 Smith-Lever Act, as amended by the Act of June 26, 1953
2 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7
3 U.S.C. 347a), and extension aspects of the Agricultural
4 Marketing Act of 1946 (7 U.S.C. 1621-1627), and to
5 coordinate and provide program leadership for the exten-
6 sion work of the Department and the several States
7 and insular possessions, \$2,255,000.

8 FARMER COOPERATIVE SERVICE

9 SALARIES AND EXPENSES

10 For necessary expenses to carry out the Act of July 2,
11 1926 (7 U.S.C. 451-457), \$620,000.

12 SOIL CONSERVATION SERVICE

13 CONSERVATION OPERATIONS

14 For necessary expenses for carrying out the provisions
15 of the Act of April 27, 1935 (16 U.S.C. 590a-590f), in-
16 cluding preparation of conservation plans and establishment
17 of measures to conserve soil and water (including farm
18 irrigation and land drainage and such special measures as
19 may be necessary to prevent floods and the siltation of
20 reservoirs); operation of conservation nurseries; classifica-
21 tion and mapping of soils; dissemination of information;
22 purchase and erection or alteration of permanent buildings;
23 and operation and maintenance of aircraft, \$83,132,000:
24 *Provided*, That the cost of any permanent building pur-
25 chased, erected, or as improved, exclusive of the cost

1 of constructing a water supply or sanitary system and
2 connecting the same to any such building and with the ex-
3 ception of buildings acquired in conjunction with land being
4 purchased for other purposes, shall not exceed \$2,500, ex-
5 cept for eight buildings to be constructed or improved at a
6 cost not to exceed \$15,000 per building and except that
7 alterations or improvements to other existing permanent
8 buildings costing \$2,500 or more may be made in any fiscal
9 year in an amount not to exceed \$500 per building: *Pro-*
10 *vided further*, That no part of this appropriation shall be
11 available for the construction of any such building on land
12 not owned by the Government: *Provided further*, That
13 no part of this appropriation may be expended for soil and
14 water conservation operations under the Act of April 27,
15 1935 (16 U.S.C. 590a-590f), in demonstration projects:
16 *Provided further*, That not to exceed \$5,000 may be used
17 for employment pursuant to the second sentence of section
18 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
19 amended by section 15 of the Act of August 2, 1946 (5
20 U.S.C. 55a) : *Provided further*, That qualified local engi-
21 neers may be temporarily employed at per diem rates to
22 perform the technical planning work of the service: *Pro-*
23 *vided further*, That not to exceed \$600,000 of the amount
24 appropriated under this head for fiscal year 1960 may be

1 used to employ conservation aides and other nonprofessional
2 personnel on a part-time or contract basis, and the amount
3 so used may be transferred to and merged with this appro-
4 priation.

WATERSHED PROTECTION

6 For expenses necessary to conduct surveys, investiga-
7 tions, and research and to carry out preventive measures,
8 including, but not limited to, engineering operations, meth-
9 ods of cultivation, the growing of vegetation, and changes in
10 use of land, in accordance with the Watershed Protection
11 and Flood Prevention Act, approved August 4, 1954, as
12 amended (16 U.S.C. 1001-1008), and the provisions of
13 the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain
14 available until expended, \$32,000,000, with which shall be
15 merged the unexpended balances of funds heretofore appro-
16 priated or transferred to the Department for watershed pro-
17 tection purposes: *Provided*, That not to exceed \$100,000
18 may be used for employment pursuant to the second sentence
19 of section 706(a) of the Organic Act of 1944 (5 U.S.C.
20 574), as amended by section 15 of the Act of August 2,
21 1946 (5 U.S.C. 55a).

FLOOD PREVENTION

23 For expenses necessary, in accordance with the Flood
24 Control Act, approved June 22, 1936 (33 U.S.C. 701-

1 709), as amended and supplemented, and the Watershed
2 Protection and Flood Prevention Act, approved August 4,
3 1954, as amended (16 U.S.C. 1001-1008, Stat.),
4 and in accordance with the provisions of laws relating to the
5 activities of the Department, to perform works of improve-
6 ment, including not to exceed \$100,000 for employment
7 pursuant to the second sentence of section 706 (a) of the
8 Organic Act of 1944 (5 U.S.C. 574), as amended by section
9 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain
10 available until expended, \$18,000,000, with which shall
11 be merged the unexpended balances of funds heretofore
12 appropriated or transferred to the Department for flood pre-
13 vention purposes: *Provided*, That no part of such funds shall
14 be used for the purchase of lands in the Yazoo and Little
15 Tallahatchie watersheds without specific approval of the
16 county board of supervisors of the county in which such lands
17 are situated.

18 GREAT PLAINS CONSERVATION PROGRAM

19 For necessary expenses to carry into effect a program
20 of conservation in the Great Plains area, pursuant to section
21 16 (b) of the Soil Conservation and Domestic Allotment
22 Act, as added by the Act of August 7, 1956 (16 U.S.C.
23 590p), \$10,000,000, to remain available until expended.

1 AGRICULTURAL CONSERVATION PROGRAM SERVICE

2 AGRICULTURAL CONSERVATION PROGRAM

3 For necessary expenses to carry into effect the pro-
4 gram authorized in sections 7 to 15, 16 (a), and 17 of the
5 Soil Conservation and Domestic Allotment Act, approved
6 February 29, 1936, as amended (16 U.S.C. 590g-590 (o),
7 590p (a), and 590q), including not to exceed \$6,000 for the
8 preparation and display of exhibits, including such displays
9 at State, interstate, and international fairs within the United
10 States, \$242,000,000, to remain available until December 31
11 of the next succeeding fiscal year for compliance with the
12 program of soil-building and soil- and water-conserving
13 practices authorized under this head in the Department of
14 Agriculture and Farm Credit Administration Appropriation
15 Act, 1960, carried out during the period July 1, 1959, to
16 December 31, 1960, inclusive: *Provided*, That not to exceed
17 \$26,832,950 of the total sum provided under this head shall
18 be available during the current fiscal year for administrative
19 expenses for carrying out such program, the cost of aerial
20 photographs, however, not to be charged to such limitation;
21 but not more than \$5,458,900 shall be transferred to the
22 appropriation account "Administrative expenses, section
23 392, Agricultural Adjustment Act of 1938": *Provided fur-*
24 *ther*, That none of the funds herein appropriated shall be used
25 to pay the salaries or expenses of any regional information

1 employees or any State information employees, but this shall
2 not preclude the answering of inquiries or supplying of in-
3 formation at the county level to individual farmers: *Pro-*
4 *vided further*, That such amounts shall be available for ad-
5 ministrative expenses in connection with the formulation and
6 administration of the 1961 program of soil-building and
7 soil- and water-conserving practices, under the Act of
8 February 29, 1936, as amended (amounting to \$250,000,-
9 000, including administration, and no participant shall re-
10 ceive more than \$2,500, except where the participants from
11 two or more farms or ranches join to carry out approved
12 practices designed to conserve or improve the agricultural
13 resources of the community) : *Provided further*, That no
14 change shall be made in such 1961 program which will have
15 the effect in any county of restricting eligibility requirements
16 or cost-sharing on practices included in either the 1958 or
17 the 1959 programs, unless such change shall have been
18 recommended by the county committee and approved by the
19 State committee: *Provided further*, That the proportion of
20 the State fund initially allocated to any county for the 1961
21 program shall not be reduced from the distribution of such
22 funds for the 1959 program year: *Provided further*, That
23 not to exceed 5 per centum of the allocation for the 1961
24 agricultural conservation program for any county may,
25 on the recommendation of such county committee and

1 approval of the State committee, be withheld and
2 allotted to the Soil Conservation Service for services of its
3 technicians in formulating and carrying out the agricultural
4 conservation program in the participating counties, and shall
5 not be utilized by the Soil Conservation Service for any pur-
6 pose other than technical and other assistance in such
7 counties, and in addition, on the recommendation of such
8 county committee and approval of the State committee, not
9 to exceed 1 per centum may be made available to any other
10 Federal, State, or local public agency for the same purpose
11 and under the same conditions: *Provided further*, That for
12 the 1961 program \$2,500,000 shall be available for
13 technical assistance in formulating and carrying out agricul-
14 tural conservation practices and \$1,000,000 shall be avail-
15 able for conservation practices related directly to flood pre-
16 vention work in approved watersheds: *Provided further*,
17 That such amounts shall be available for the purchase of
18 seeds, fertilizers, lime, trees, or any other farming material,
19 or any soil-terracing services, and making grants thereof to
20 agricultural producers to aid them in carrying out farming
21 practices approved by the Secretary under programs provided
22 for herein: *Provided further*, That no part of any funds
23 available to the Department, or any bureau, office, corpora-
24 tion, or other agency constituting a part of such Department,
25 shall be used in the current fiscal year for the payment of

1 salary or travel expenses of any person who has been con-
2 victed of violating the Act entitled "An Act to prevent
3 pernicious political activities", approved August 2, 1939, as
4 amended, or who has been found in accordance with the pro-
5 visions of title 18, United States Code, section 1913, to have
6 violated or attempted to violate such section which prohibits
7 the use of Federal appropriations for the payment of personal
8 services or other expenses designed to influence in any man-
9 ner a Member of Congress to favor or oppose any legislation
10 or appropriation by Congress except upon request of any
11 Member or through the proper official channels.

12 AGRICULTURAL MARKETING SERVICE

13 MARKETING RESEARCH AND SERVICE

14 For expenses necessary to carry on research and service
15 to improve and develop marketing and distribution relating
16 to agriculture as authorized by the Agricultural Marketing
17 Act of 1946 (7 U.S.C. 1621-1627) and other laws, includ-
18 ing the administration of marketing regulatory acts connected
19 therewith: *Provided*, That appropriations hereunder shall
20 be available pursuant to 5 U.S.C. 565a for the construction,
21 alteration, and repair of buildings and improvements, but
22 unless otherwise provided, the cost of erecting any one build-
23 ing shall not exceed \$15,000, except for two buildings to
24 be constructed or improved at a cost not to exceed \$30,000
25 each, and the cost of altering any one building during the

1 fiscal year shall not exceed \$5,000 or 5 per centum of the
2 cost of the building, whichever is greater:

3 Marketing research and agricultural estimates: For
4 research and development relating to agricultural marketing
5 and distribution, for analyses relating to farm prices, income
6 and population, and demand for farm products, and for crop
7 and livestock estimates, \$16,315,000: *Provided*, That not
8 less than \$350,000 of the funds contained in this appro-
9 priation shall be available to continue to gather statistics
10 and conduct a special study on the price spread between
11 the farmer and the consumer: *Provided further*, That no
12 part of the funds herein appropriated shall be available for
13 any expense incident to publishing estimates of apple pro-
14 duction for other than the commercial crop;

15 Marketing services: For services relating to agricultural
16 marketing and distribution, for carrying out regulatory acts
17 connected therewith, and for administration and coordina-
18 tion of payments to States, \$26,838,000, including not to
19 exceed \$25,000 for employment at rates not to exceed \$50
20 per diem, except for employment in rate cases at not to
21 exceed \$100 per diem pursuant to the second sentence of
22 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
23 as amended by section 15 of the Act of August 2, 1946
24 (5 U.S.C. 55a), in carrying out section 201 (a) to 201 (d),
25 inclusive, of title II of the Agricultural Adjustment Act of

1 1938 (7 U.S.C. 1291) and section 203 (j) of the Agri-
 2 cultural Marketing Act of 1946: *Provided*, That the De-
 3 partment is hereby authorized and directed to make such
 4 inspection of poultry products processing plants as it deems
 5 essential to the protection of public health and to permit the
 6 use of appropriate inspection labels where it determines
 7 from such inspection that such plants operate in a manner
 8 which protects the public health, and not less than \$500,000
 9 shall be available for this purpose.

10 PAYMENTS TO STATES AND POSSESSIONS

11 For payments to departments of agriculture, bureaus and
 12 departments of markets, and similar agencies for marketing
 13 activities under section 204 (b) of the Agricultural Market-
 14 ing Act of 1946 (7 U.S.C. 1623 (b)), \$1,195,000.

15 SCHOOL LUNCH PROGRAM

16 For necessary expenses to carry out the provisions of
 17 the National School Lunch Act (42 U.S.C. 1751-1760),
 18 \$110,000,000: *Provided*, That no part of this appropriation
 19 shall be used for nonfood assistance under section 5 of said
 20 Act: *Provided further*, That \$45,000,000 shall be trans-
 21 ferred to this appropriation from funds available under sec-
 22 tion 32 of the Act of August 24, 1935, for purchase and
 23 distribution of agricultural commodities and other foods
 24 pursuant to section 6 of the National School Lunch Act.

1 FOREIGN AGRICULTURAL SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses for the Foreign Agricultural
4 Service, including carrying out title VI of the Agricultural
5 Act of 1954 (7 U.S.C. 1761-1768), and for enabling the
6 Secretary to coordinate and integrate activities of the Depart-
7 ment in connection with foreign agricultural work, including
8 not to exceed \$25,000 for representation allowances and for
9 expenses pursuant to section 8 of the Act approved
10 August 3, 1956 (7 U.S.C. 1766), \$4,447,000: *Provided*,
11 That not less than \$400,000 of the funds contained in
12 this appropriation shall be available to obtain statistics
13 and related facts on foreign production and full and
14 complete information on methods used by other countries
15 to move farm commodities in world trade on a competitive
16 basis: *Provided further*, That, in addition, not to exceed
17 \$2,493,000 of the funds appropriated by section 32 of the
18 Act of August 24, 1935, as amended (7 U.S.C. 612c),
19 shall be merged with this appropriation and shall be avail-
20 able for all expenses of the Foreign Agricultural Service
21 in carrying out the purposes of said section 32.

22 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY
23 PROGRAM)

24 For purchase of foreign currencies which accrue under
25 title I of the Agricultural Trade Development and Assistance

1 Act of 1954, as amended (7 U.S.C. 1704) , for the purposes
2 of market development activities under section 104 (a) of
3 that Act, \$13,621,000, and for the purposes of section 104
4 (m) of that Act, relating to agricultural and horticultural
5 fair participation and related activities, \$1,000,000, to re-
6 main available until expended: *Provided*, That the dollar
7 value of the unexpended balances, as of June 30, 1960, of
8 allocations of foreign currencies heretofore made available
9 to the Foreign Agricultural Service for the foregoing pur-
10 poses of such sections 104 (a) and (m) is appropriated as
11 of that date and shall be merged with this appropriation:
12 *Provided further*, That funds appropriated herein shall be
13 used to purchase such foreign currencies as the Department
14 determines are needed and can be used most effectively to
15 carry out the purposes of this paragraph, and such foreign
16 currencies shall, pursuant to the provisions of section
17 104 (a) , be set aside for sale to the Department before for-
18 eign currencies which accrue under said title I are made
19 available for other United States uses.

20 COMMODITY EXCHANGE AUTHORITY

21 SALARIES AND EXPENSES

22 For necessary expenses to carry into effect the provisions
23 of the Commodity Exchange Act, as amended (7 U.S.C.
24 1-17a) , \$930,000.

1 COMMODITY STABILIZATION SERVICE

2 ACREAGE ALLOTMENTS AND MARKETING QUOTAS

3 For necessary expenses to formulate and carry out
4 acreage allotment and marketing quota programs pursuant to
5 provisions of title III of the Agricultural Adjustment Act
6 of 1938, as amended (7 U.S.C. 1301-1393), \$40,135,000,
7 of which not more than \$6,934,400 shall be transferred to
8 the appropriation account "Administrative expenses, section
9 392, Agricultural Adjustment Act of 1938".

10 SUGAR ACT PROGRAM

11 For necessary expenses to carry into effect the provi-
12 sions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
13 \$74,500,000, to remain available until June 30 of the next
14 succeeding fiscal year: *Provided*, That expenditures (includ-
15 ing transfers) from this appropriation for other than pay-
16 ments to sugar producers shall not exceed \$2,307,000.

17 CONSERVATION RESERVE PROGRAM

18 For necessary expenses to carry out a conservation re-
19 serve program as authorized by subtitles B and C of the Soil
20 Bank Act (7 U.S.C. 1831-1837 and 1802-1814), and to
21 carry out liquidation activities for the acreage reserve pro-
22 gram, to remain available until expended, \$310,000,000,
23 with which may be merged the unexpended balances of
24 funds heretofore appropriated for soil bank programs: *Pro-*
25 *vided*, That not to exceed \$12,000,000 shall be available

1 for administrative expenses, of which not less than
2 \$10,000,000 may be transferred to the appropriation
3 account "Local administration, section 388, Agricultural
4 Adjustment Act of 1938": *Provided further*, That no part
5 of these funds shall be paid on any contract which is illegal
6 under the law due to the division of lands for the purpose
7 of evading limits on annual payments to participants.

8 FEDERAL CROP INSURANCE CORPORATION

9 OPERATING AND ADMINISTRATIVE EXPENSES

10 For operating and administrative expenses, \$6,376,000.

11 RURAL ELECTRIFICATION ADMINISTRATION

12 To carry into effect the provisions of the Rural Electri-
13 fication Act of 1936, as amended (7 U.S.C. 901-924), as
14 follows:

15 LOAN AUTHORIZATIONS

16 For loans in accordance with said Act, and for carrying
17 out the provisions of section 7 thereof, to be borrowed from
18 the Secretary of the Treasury in accordance with the pro-
19 visions of section 3 (a) of said Act, as follows: Rural electri-
20 fication program, \$110,000,000; and rural telephone pro-
21 gram, \$80,000,000; and additional amounts, not to exceed
22 \$50,000,000 for each program, may be borrowed under
23 the same terms and conditions to the extent that such amount
24 is required during the fiscal year 1961 under the then exist-
25 ing conditions for the expeditious and orderly development

1 of the rural electrification program and rural telephone
2 program.

3 SALARIES AND EXPENSES

4 For administrative expenses, including not to exceed
5 \$500 for financial and credit reports, and not to exceed
6 \$150,000 for employment pursuant to the second sentence
7 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
8 574), as amended by section 15 of the Act of August 2,
9 1946 (5 U.S.C. 55a), \$9,632,000.

10 FARMERS HOME ADMINISTRATION

11 To carry into effect the provisions of titles I, II, and the
12 related provisions of title IV of the Bankhead-Jones Farm
13 Tenant Act, as amended (7 U.S.C. 1000-1031); the
14 Farmers Home Administration Act of 1946 (7 U.S.C. 1001,
15 note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535;
16 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U.S.C.
17 436-439); the Act of August 28, 1937, as amended (16
18 U.S.C. 590r-590x-3), for the development of facilities for
19 water storage and utilization in the arid and semiarid areas
20 of the United States; the provisions of title V of the Hous-
21 ing Act of 1949, as amended (42 U.S.C. 1471-1483),
22 relating to financial assistance for farm housing; the Rural
23 Rehabilitation Corporation Trust Liquidation Act, approved
24 May 3, 1950 (40 U.S.C. 440-444); the items "Loans to
25 farmers, 1948 flood damage" in the Act of June 25, 1948

1 (62 Stat. 1038), and “Loans to farmers, property damage”
2 in the Act of May 24, 1949 (63 Stat. 82); the collecting
3 and servicing of credit sales and development accounts in
4 water conservation and utilization projects (53 Stat. 685,
5 719), as amended and supplemented (16 U.S.C. 590y, z—1
6 and z—10); and the Act to direct the Secretary of Agricul-
7 ture to convey certain mineral interests, approved September
8 6, 1950 (7 U.S.C. 1033–1039), as follows:

9 LOAN AUTHORIZATIONS

10 For loans (including payments in lieu of taxes and taxes
11 under section 50 of the Bankhead-Jones Farm Tenant Act,
12 as amended, and advances incident to the acquisition and
13 preservation of security of obligations under the foregoing
14 several authorities, except that such advances under title V
15 of the Housing Act of 1949, as amended, shall be made from
16 funds obtained under section 511 of that Act, as amended):
17 Title I and section 43 of title IV of the Bankhead-Jones
18 Farm Tenant Act, as amended, \$26,900,000, of which not
19 to exceed \$2,500,000 may be distributed to States and
20 territories without regard to farm population and prevalence
21 of tenancy, in addition to the amount otherwise distributed
22 thereto, for loans in reclamation projects and to entrymen
23 on unpatented public lands; title II of the Bankhead-Jones
24 Farm Tenant Act, as amended, \$197,100,000; the Act of
25 August 28, 1937, as amended, \$3,000,000: *Provided*,

1 That not to exceed the foregoing several amounts shall be
2 borrowed in one account from the Secretary of the Treasury
3 in accordance with the provisions set forth under this head
4 in the Department of Agriculture Appropriation Act, 1952:
5 *Provided further*, That an additional amount, not to exceed
6 \$40,000,000, may be borrowed under the same terms and
7 conditions to the extent that such amount is required during
8 fiscal year 1961 under the then existing conditions for the
9 expeditious and orderly conduct of the loan programs under
10 the Bankhead-Jones Farm Tenant Act, as amended, not to
11 exceed \$5,000,000 of which shall be available for loans
12 under title I and section 43 of title IV of such Act, as
13 amended.

14 SALARIES AND EXPENSES

15 For making, servicing, and collecting loans and insured
16 mortgages, the servicing and collecting of loans made under
17 prior authority, the liquidation of assets transferred to Farm-
18 ers Home Administration, and other administrative expenses,
19 \$30,500,000, together with a transfer of not to exceed
20 \$1,000,000 of the fees and administrative expense charges
21 made available by subsections (d) and (e) of section 12
22 of the Bankhead-Jones Farm Tenant Act, as amended
23 (7 U.S.C. 1005 (b)), and section 10 (c) of the Act of
24 August 28, 1937, as amended.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$3,358,000.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, \$2,899,500: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U.S.C. 1001).

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by

1 Congress in the Department, \$1,478,000, of which total
2 appropriation not to exceed \$537,000 may be used for
3 farmers' bulletins, which shall be adapted to the inter-
4 ests of the people of the different sections of the country,
5 an equal proportion of four-fifths of which shall be delivered
6 to or sent out under the addressed franks furnished by the
7 Senators, Representatives, and Delegates in Congress, as
8 they shall direct (7 U.S.C. 417), and not less than one
9 hundred and fifty-one thousand copies for the use of the
10 Senate and House of Representatives of part 2 of the
11 annual report of the Secretary (known as the Yearbook
12 of Agriculture) as authorized by section 73 of the Act of
13 January 12, 1895 (44 U.S.C. 241), and for reprinting
14 the 1959 yearbook "Food" for the use of the Senate and
15 House of Representatives, respectively, of one hundred and
16 sixteen thousand five hundred and twenty-five copies (for
17 which not to exceed \$90,000 shall be available) : *Provided*,
18 That in the preparation of motion pictures or exhibits by
19 the Department, not exceeding a total of \$10,000 may be
20 used for employment pursuant to the second sentence of
21 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
22 as amended by section 15 of the Act of August 2, 1946
23 (5 U.S.C. 55a).

LIBRARY

SALARIES AND EXPENSES

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, \$895,000.

TITLE II—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1961 for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$2,630,000 of administrative and operating expenses may be paid from premium income.

1 COMMODITY CREDIT CORPORATION

2 RESTORATION OF CAPITAL IMPAIRMENT

3 To partially restore the capital impairment of the Com-
4 modity Credit Corporation determined by the appraisals
5 of June 30, 1959, and June 30, 1960, pursuant to section 1
6 of the Act of March 8, 1938, as amended (15 U.S.C.
7 713a-1), \$1,226,500,000.

8 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION

9 FOR COSTS OF SPECIAL ACTIVITIES

10 To reimburse the Commodity Credit Corporation for
11 authorized unrecovered costs through June 30, 1960
12 (including interest through date of recovery), as follows:
13 (1) \$32,572,000 under the International Wheat Agree-
14 ment Act of 1949, as amended (7 U.S.C. 1641-1642);
15 (2) \$107,094,000 for commodities disposed of for emer-
16 gency famine relief to friendly peoples pursuant to title II
17 of the Act of July 10, 1954, as amended (7 U.S.C. 1703,
18 1721-1724); (3) \$881,000,000 for the sale of surplus
19 agricultural commodities for foreign currencies pursuant to
20 title I of the Act of July 10, 1954, as amended (7 U.S.C.
21 1701-1709); (4) \$18,000 for grain made available to the
22 Secretary of the Interior to prevent crop damage by migra-
23 tory waterfowl pursuant to the Act of July 3, 1956
24 (7 U.S.C. 442-446); (5) \$422,950,000 for strategic and
25 other materials acquired by the Commodity Credit Corpo-

1 ration as a result of barter or exchange of agricultural com-
2 modities or products and transferred to the supplemental
3 stockpile pursuant to Public Law 540, Eighty-fourth Con-
4 gress (7 U.S.C. 1856): *Provided*, That the unexpended
5 balances of funds heretofore provided for the various pur-
6 poses under this head may remain available until expended
7 for the purposes for which appropriated and may be merged
8 with the funds provided in this paragraph.

9 LIMITATION ON ADMINISTRATIVE EXPENSES

10 Nothing in this Act shall be so construed as to prevent
11 the Commodity Credit Corporation from carrying out any
12 activity or any program authorized by law: *Provided*,
13 That not to exceed \$44,726,000 shall be available
14 for administrative expenses of the Corporation: *Provided*
15 *further*, That \$1,000,000 of this authorization shall be avail-
16 able only to expand and strengthen the sales program of
17 the Corporation pursuant to authority contained in the Cor-
18 poration's charter: *Provided further*, That not less than 7
19 per centum of this authorization shall be placed in reserve to
20 be apportioned pursuant to section 3679 of the Revised
21 Statutes, as amended, for use only in such amounts and at
22 such time as may become necessary to carry out program
23 operations: *Provided further*, That all necessary expenses
24 (including legal and special services performed on a con-
25 tract or fee basis, but not including other personal services)

1 in connection with the acquisition, operation, maintenance,
2 improvement, or disposition of any real or personal prop-
3 erty belonging to the Corporation or in which it has an
4 interest, including expenses of collections of pledged col-
5 lateral, shall be considered as nonadministrative expenses for
6 the purposes hereof: *Provided further*, That no part of these
7 funds may be used to formulate or administer a program
8 which provides for reclassing of Commodity Credit Corpora-
9 tion cotton after time of sale to private individuals
10 or organizations: *Provided further*, (1) That no part of
11 this authorization shall be used to formulate or carry out
12 a price-support program for 1960 under which a total amount
13 of price support in excess of \$50,000 would be extended
14 through loans, purchases, or purchase agreements made or
15 made available by Commodity Credit Corporation to any
16 person on the 1960 production of any agricultural com-
17 modity declared by the Secretary to be in surplus supply,
18 unless (a) such person shall reduce his production of such
19 commodity from that which such person produced the pre-
20 ceding year, in such percentage, not to exceed 20 per centum,
21 as the Secretary may determine to be essential to bring pro-
22 duction in line within a reasonable period of time with that
23 necessary to provide an adequate supply to meet domestic

1 and foreign demands, plus adequate reserves, or (b) such
2 person shall agree to repay all amounts advanced in excess
3 of \$50,000 for any agricultural commodity within twelve
4 months from the date of the advance of such funds or at such
5 later date as the Secretary may determine, (2) that the term
6 "person" shall mean an individual, partnership, firm, joint-
7 stock company, corporation, association, trust, estate, or
8 other legal entity, or a State, political subdivision of a State,
9 or any agency thereof, (3) that in the case of any loan to, or
10 purchase from, a cooperative marketing organization, or
11 with regard to price support on an agricultural commodity
12 extended by purchases of a product of such commodity from,
13 or by loans on such product to, persons other than the pro-
14 ducers of such commodity, such limitation shall not apply to
15 the amount of price support received by the cooperative
16 marketing organization, or other persons, but the amount of
17 price support made available to any person through such co-
18 operative marketing organization or other persons shall be
19 included in determining the amount of price support received
20 by such person for purposes of such limitation, and (4) that
21 the Secretary of Agriculture shall issue regulations prescrib-
22 ing such rules as he determines necessary to carry out this
23 provision.

1 TITLE III—RELATED AGENCIES

2 FARM CREDIT ADMINISTRATION

3 LIMITATION ON ADMINISTRATIVE EXPENSES

4 Not to exceed \$2,480,000 (from assessments collected
5 from farm credit agencies) shall be obligated during the
6 current fiscal year for administrative expenses.

7 FEDERAL FARM MORTGAGE CORPORATION FUND

8 The Federal Farm Mortgage Corporation is authorized
9 to make such expenditures, within available funds and in
10 accordance with law, as may be necessary to liquidate its
11 assets: *Provided*, That funds realized from the liquidation of
12 assets which are determined by the Board of Directors to
13 be in excess of the requirements for expenses of liquidation
14 shall be declared as dividends which shall be paid into the
15 general fund of the Treasury.

16 TITLE IV—GENERAL PROVISIONS

17 SEC. 401. Within the unit limit of cost fixed by law, ap-
18 propriations and authorizations made for the Department
19 under this Act shall be available for the purchase, in addition
20 to those specifically provided for, of not to exceed three
21 hundred and thirty-seven passenger motor vehicles, of which
22 three hundred and thirty-two shall be for replacement only,
23 and for the hire of such vehicles.

24 SEC. 402. Provisions of law prohibiting or restricting

1 the employment of aliens shall not apply to employment
2 under the appropriation for the Foreign Agricultural Service.

3 SEC. 403. Funds available to the Department of Agri-
4 culture shall be available for uniforms or allowances therefor
5 as authorized by the Act of September 1, 1954, as amended
6 (5 U.S.C. 2131).

7 SEC. 404. No part of the funds appropriated by this Act
8 shall be used for the payment of any officer or employee of
9 the Department who, as such officer or employee, or on be-
10 half of the Department or any division, commission, or
11 bureau thereof, issues, or causes to be issued, any prediction,
12 oral or written, or forecast, except as to damage threatened
13 or caused by insects and pests, with respect to future prices
14 of cotton or the trend of same.

15 SEC. 405. Except to provide materials required in or
16 incident to research or experimental work where no suitable
17 domestic product is available, no part of the funds appropri-
18 ated by this Act shall be expended in the purchase of twine
19 manufactured from commodities or materials produced out-
20 side of the United States.

21 SEC. 406. Not less than \$1,500,000 of the appropriations
22 of the Department for research and service work authorized
23 by the Acts of August 14, 1946, July 28, 1954, and Sep-
24 tember 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat. 1793),

1 shall be available for contracting in accordance with said
2 Acts.

3 SEC. 407. No part of any appropriation contained in
4 this Act or of the funds available for expenditure by any cor-
5 poration or agency included in this Act shall be used for pub-
6 licity or propaganda purposes to support or defeat legislation
7 pending before the Congress.

8 SEC. 408. No part of the funds appropriated by this
9 Act shall be used to pay the compensation of any employee
10 or officer of the Department, except the Secretary of Agri-
11 culture, who, in addition to other regularly assigned re-
12 sponsibilities, serves as a member of the board of directors
13 or as an officer of the Commodity Credit Corporation after
14 February 1, 1961.

15 This Act may be cited as the "Department of Agricul-
16 ture and Farm Credit Administration Appropriation Act,
17 1961".

86TH CONGRESS
2D Session

H. R. 12117

[Report No. 1592]

A BILL

Making appropriations for the Department of
Agriculture and Farm Credit Administra-
tion for the fiscal year ending June 30, 1961,
and for other purposes.

By Mr. WITTEN

MAY 6, 1960

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

DEPARTMENT OF AGRICULTURE AND FARM CREDIT
ADMINISTRATION APPROPRIATION BILL, 1961

MAY 6, 1960.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H.R. 12117]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year 1961. The bill covers estimates contained in the 1961 Budget on pages 134–138 and 305–383.

This bill provides funds for the general operations of the Department, including the Commodity Credit Corporation and various activities such as research, extension, soil and water conservation, loans, soil bank, and administrative services.

The estimates considered by the Committee include requested appropriations of \$1,341,521,190 for regular activities, \$1,325,000,000 for restoration of capital impairment of the Commodity Credit Corporation, and \$1,468,742,000 for reimbursement to Commodity Credit Corporation for various special activities financed by that organization, such as Public Law 480, the International Wheat Agreement and famine relief to friendly countries. The bill recommended by the Committee for 1961 includes a total of \$3,964,781,500 for these

purposes, a reduction of \$170,481,690 in the budget requests. A summary of the Committee action is as follows:

Item	Budget Request	Recommended in Bill	Reduction
Regular Activities.....	\$1, 341, 521, 190	\$1, 294, 647, 500	—\$46, 873, 690
Restoration of Capital Impairment.....	1, 325, 000, 000	1, 226, 500, 000	—98, 500, 000
Reimbursement for Special Activities.....	1, 468, 742, 000	1, 443, 634, 000	—25, 108, 000
Total.....	4, 135, 263, 190	3, 964, 781, 500	—170, 481, 690

Numerous members of Congress and others appeared before the Committee in support of increased attention with regard to various activities of the Department of Agriculture. Some of these proposals have been provided for in the accompanying appropriation bill. However, all could not be specifically provided for due to fund limitations. The Department is requested to review all such proposals contained in Part 4 of the hearing record and, within its overall appropriations, to give its attention to these needs.

FARM INCOME AT LOW LEVEL

The records of the Department show that the Federal Government is now spending far more in the name of agriculture than ever before in history, and yet income from farming in 1959, including soil bank payments, was at the lowest level since before World War II. This is true, despite the fact that national income has increased consistently each year and per capita income for all segments of the population, other than agricultural producers, is at the highest level in the history of the country.

The period 1932 to 1952

The farm price support program was created in 1933 to preserve and maintain our soil resources, to give the farmers suitable purchasing power and to provide the consumers with an adequate supply of food and fiber. By 1952 some weaknesses began to become apparent in the laws which were enacted at that time. The government had an investment of some 2½ billion dollars in commodities in 1952 and was incurring some one-half billion dollars of cost per year. This came about because of overproduction.

Several factors contributed to this overproduction: (1) The increased knowledge and technical know-how of farmers who were able to materially increase their production by cultivating each acre; (2) Lack of effective means of controlling production due to an antiquated system of acreage controls which was becoming ineffective.

Net farm income was \$14.4 billion per year in 1952.

The period 1953 to 1960

Beginning in 1953, the Department of Agriculture, reflecting the views of some people, insisted that changes should be made in the program then in effect. Since that time, the following "cures" have been offered, tried, and from the record found wanting, so far as solving the problem is concerned:

- (1) Price support reductions averaging 20 percent were made under the "flexible price support plan."

(2) A Soil Bank Program was created to curtail production by paying farmers not to farm.

(3) Public Law 480 was enacted to dispose of surpluses by virtually giving them away overseas.

(4) Research and extension appropriations have been increased some 120 percent.

(5) Department of Agriculture personnel has increased about 28 percent and appropriations have increased around 300 percent.

(6) Production controls have been relaxed as price support levels have been lowered. For example, the removal of controls on corn production, beginning with the 1959 crop, has resulted in enormous increases in acreage harvested and volume of production.

Detailed discussion of each of these points appears at pages 4 through 9 of this report.

THE RESULTS

Most of these so-called cures have been a heavy drain on the Treasury and have provided little to improve the deteriorating farm situation, which will grow worse if the present course is followed.

One serious result has been the impairment of purchasing power of rural America. Farm income has dropped from \$14.4 billion in 1952 to \$11.0 billion in 1959, a 24 percent reduction. The effect of reduced prices and increased costs on net farm income during this period is indicated by the following figures from the records of the Department shown on page 68, Part I, 1961 hearings:

	Prices Received	Prices Paid	Parity Ratio (percent)	Net income from farming (billions of dollars)
	(Index based on 1910-14)			
1952.....	288	287	100	14.4
1958.....	250	293	85	13.1
1959.....	240	298	80	11.0
4th quarter, 1959.....	231	297	78	10.9

The loss of this purchasing power has already affected not only those who depend on farming for a livelihood, but also those engaged in banking, merchandising, industrial production and other business activities, particularly in the smaller communities. Since those dependent on agricultural income, either directly or indirectly, represent an important market for goods produced in the urban areas of the nation, this loss of farm income has not only affected the economic welfare of farm sections of the nation, but if allowed to continue is bound to have serious effects on the whole nation.

The importance of American Agriculture as a market for the nation's goods can be appreciated when it is realized that Agriculture uses more finished steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry. It uses more rubber each year than is required to produce tires for 6 million automobiles. It is one of the nation's largest users of electrical power. Its inventory of machinery alone exceeds the assets of the American steel industry and is five times that of the automobile industry.

It has been reliably estimated that each dollar of farm income produces \$7 of income throughout the rest of the economy. Thus, it is reasonable to assume that the loss of \$3.4 billion of farm income in 1959, as compared to 1952, resulted in a loss of domestic markets worth some \$24 billion to the industrial producers of the nation in that one year.

Another unfortunate result of these so-called cures has been the production of huge surpluses of many agricultural commodities, which have served to depress markets generally for agricultural products, and have been a great economic loss to the United States. Figures furnished by the Department, as set forth on page 68, Part 1, 1961 hearings, indicate that total farm output has increased from the 1952 level of 108 percent of the base period 1947-49 to 125 per cent in 1959. This increase in production of 17 per cent, which has created the surplus problem, has to a considerable degree been due to efforts of farmers to offset reduced prices by increased output. This has placed an additional strain on the fertility of the nation's soil. It is estimated by officials of the Department that this unneeded production has cost the grain farmers over \$1 billion in extra annual production of grain alone.

COSTS TO FEDERAL TREASURY

Seven years of experimentation with reduced price supports, outmoded acreage controls, ineffective soil bank programs, and costly overseas disposals under Public Law 480 has placed a heavy financial drain on all segments of the American economy. And benefits to the farmer have been less than those received by other groups through these programs.

A summary of these tremendous expenditures resulting from excessive production while trying these so-called cures since 1952, follows:

	<i>Billion</i>
Reduced price supports.....	\$8. 0
Soil bank program.....	4. 3
Public Law 480.....	13. 5
Total.....	25. 8

Nearly \$3 billion is provided in the bill for 1961 to meet the continuing cost of these programs, as follows:

	<i>Billion</i>
Restoration of capital impairment of Commodity Credit Corporation (Price Support).....	\$1. 226
Conservation Reserve (Soil Bank).....	. 310
Reimbursements to CCC for cost of Public Law 480 and other special activities.....	1. 444
Total in 1961 Bill.....	2. 980

In addition to these heavy expenditures, the appropriations for the other programs of the Department have increased from \$827.5 million in fiscal year 1952 to \$1089.2 million in fiscal year 1960, an increase of nearly 32 percent.

PRICE SUPPORT REDUCTIONS

In the past seven years price supports have been reduced an average of 20 percent. These drastic reductions, in the face of constantly rising production costs, have had several important effects on the farm

economy of the nation. First, they have reduced net farm income nearly one-fourth between 1952 and 1959. Second, they have created tremendous surpluses which are about to wreck the entire farm program.

As has been pointed out each year by many members of this Committee, farmers tend to increase their production as farm prices are reduced, in an effort to maintain income essential to meet operating cost and living expenses. Experience during the past few years has disproven the theory advocated by some that reduced prices will reduce production. The records of the Department for the past seven years show that production has increased at about the same rate that price supports have been reduced.

One of the most definite indications of this is Commodity Credit Corporation holdings which have increased from \$2.5 billion in 1952 to over \$9.2 billion as of January 1960. A study of figures appearing on pages 373-387, Part 3, 1961 hearings, further supports this point.

The total cost of the price support program from its inception in 1932 through 1952 was about \$2.6 billion. With lowered price supports and increased production, the Department has lost another \$8 billion under this program since 1952. An estimate furnished by the Department shows that price support on surplus feed grains alone cost the Government some \$3.5 billion in price support investment and \$1.5 billion in carrying charges in 1959. Figuring farm costs of extra production at 50 percent of normal, this surplus cost the farmer in excess of \$1 billion to produce (page 754, Part 3, 1961 hearings).

SOIL BANK PROGRAM

In 1955, the Soil Bank was offered as a solution. Acreage was rented from farmers and taken out of production, though the record shows 23 percent had not been in production. The cost of the Soil Bank to date, including funds in this bill, has been approximately \$2.7 billion. It is estimated that an additional \$1.6 billion will be required in future years to meet long-term conservation reserve commitments entered into under existing legislation. This estimated total cost of \$4.3 billion would be further increased if this program were to be extended beyond the present year.

The production records of the Department show that the program has been relatively ineffective in bringing production in line with need (pages 373-375, Part 3, 1961 hearings). There seems to be little benefit from this program, unless considered as a means of offsetting loss of farm income at the market place. The past record proves conclusively that this program offers no future solution to the problem of overproduction, even if billions of dollars are spent each year.

As shown by the Department's testimony, 2.6 million farms are classified as small farms. These represent 56 percent of the total farms in the United States, which include about 275 million acres, but produce only 9 percent of the commercial production. Therefore, if all such farms were removed from production at an average of \$10 per acre, it would cost \$2,750,000,000.00 a year and would reduce production only 9 percent—assuming large farms did not offset such reduction. These figures cannot be misunderstood.

PUBLIC LAW 480

The Agricultural Trade and Development Act, Public Law 480, was proposed as a means of disposing of the surpluses which reduced price supports and acreage controls had failed to control. Title I of this law provides for sales for foreign currencies, Title II authorizes donations to friendly countries to meet famines and other disasters, and Title III provides for barter and other means of disposal. It is to be noted that the Government pays the full costs of this program in American dollars.

It was adopted by Congress with serious misgivings on the part of many people. In view of the fact that it has done nothing toward stopping overproduction—in fact it has tended to postpone the time when Congress will deal with that problem—such misgivings appear to have been fully justified.

This program, which was first started in 1954 as an outlet for surpluses, has developed into an outlet for production overflow at practically 100 percent cost to the U.S. Instead of correcting the situation, it has been followed by more and more surpluses.

The authorization for sales to foreign governments for local currencies under Title I has expanded tremendously since its inception, as follows:

	Total au- thorization— billion
July, 1954.....	\$0. 7
August 1955.....	1. 5
August 1956.....	3. 0
August 1957.....	4. 0
September 1958.....	6. 25
September 1959.....	9. 25

In addition, up to \$1.4 billion is authorized for donations under Title II. Title III costs will further increase this amount, although exact figures are not available. Through December, 1959 over \$2.9 billion of commodities have been donated and bartered under Title III. Thus a total of over 13.5 billion American dollars has been authorized for expenditure since 1954 under present law. Further extensions of the Act would of course further increase this total cost.

This program was originally justified as a means of using agricultural surpluses to develop and promote overseas markets for U.S. agricultural products. There is evidence to indicate, however, that foreign currencies generated under this program in some instances are being used to expand agricultural production abroad, in competition with U.S. products in world markets. Further, it appears that such programs are often undertaken in countries which have no prospects of ever providing markets for U.S. products.

An example of this is a project called "Operation Beef" in Argentina. Under this program, \$14.3 million is being used to increase beef production in that country to compete with U.S. meat producers in world markets. Since Argentina produces many of the same crops as the United States, the two countries are natural competitors and market prospects there are very limited. Therefore, it is hard to understand how U.S. interests are benefitted by projects of this kind.

Whatever the benefits of the Public Law 480 program, in the opinion of many members of the Committee, it too has failed to help the overproduction problem. As mentioned earlier, it probably has

contributed to a constantly deteriorating situation for American agriculture by getting these huge surpluses "out of sight" abroad and thereby postponing action to prevent the increase in the surplus problem.

If a sufficient amount were diverted from the tremendous supplies on hand and available for use under PL 480, such commodities could well be the means of enabling the farmers to bring production in line with domestic and foreign consumption. If used to protect farm income while the farmer cut production 20 percent, they would reduce storage costs up to \$100 million per year and would reduce price support costs—possibly \$700 million to \$1 billion per year. Further, they would protect farm income during the period of adjustment needed to bring production in line with demand, and would enable such a plan to be carried out at little or no cost to the Government. The commodities have already been bought and paid for by CCC and will otherwise be given away to foreign countries under Public Law 480. A full discussion of such a proposal for feed grains, the area of our greatest problem, is contained on pages 172–173, Part 3, 1961 hearings.

In the opinion of a majority of the members of the Committee, if the Public Law 480 program is to be continued, it should be considered a foreign aid program and should be paid for in the Mutual Security Bill.

EXPANDED RESEARCH AND EXTENSION

As pointed out previously, funds for the research and extension programs of the Department have expanded about 120 percent since 1952. A summary of this increase is as follows:

	1952	1960
	<i>Million</i>	<i>Million</i>
Department of Agriculture research.....	\$44.2	\$104.4
State Experiment Stations.....	12.7	31.8
Extension Service.....	33.5	64.1
Total.....	90.4	200.3

The large increases for these programs have been justified by the Department and offered as an answer to the farm problem and as a substitute for protection of farm income through adequate price support levels. They have been supported by the Department on the theory that improvement of farming methods and development of new uses for agricultural commodities through research can offset reduced income and thereby enable the farmer to stay in business.

The members of the Committee fully recognize the value of these essential programs. They are aware of the important benefits of research and extension work to the farmers of the Nation. They realize the fact that farmers would be much worse off financially than they now are, were it not for the improved production techniques which have resulted from the research and extension programs of the Department.

They realize, however, that the real benefits of this work are not sufficiently direct and fast enough to meet a sudden economic crisis, such as has been experienced in the past few years. They wish to

point out, therefore, that these programs, as fine and essential as they are, cannot and should not be expected to offset sudden losses of farm income and related economic problems.

PERSONNEL AND APPROPRIATIONS INCREASES

It is apparent that continued increases in personnel and funds for the Department of Agriculture is not the answer to the farm income problem, where higher cost and lower prices are leading to overproduction. If such increases could improve the situation, the 28 percent increase in personnel and 300 percent increase in appropriations since 1952 would have done so. A summary of the expansion of the Department is as follows:

<i>Personnel</i>	
December 31, 1952-----	67, 406
December 31, 1959-----	86, 508
Increase (28%)-----	19, 102

<i>Appropriations</i>		<i>Billion</i>
Fiscal year 1953-----		\$1. 045
Fiscal year 1960-----		4. 128
Increase (300%)-----		3. 083

REMOVAL OF CONTROLS

Along with actions taken to reduce price supports, efforts have been made by the Department to remove or curtail production controls. This also has contributed to the increased production in recent years and the ever-mounting surpluses.

While efforts to control production through acreage controls have not been effective, it appears unwise to eliminate them until some satisfactory substitute has been adopted. Mandatory price supports on basic commodities cannot work without some type of control over production.

At the recommendation of the Department, a program was adopted last year which removed all controls on corn, beginning with the 1959 crop, along with a further reduction in price support levels. This was done over the strenuous objection of many members of Congress who realized that the inevitable result would be to increase production substantially, fill up Government storage facilities, increase Government costs, and further depress the market.

The result of this new corn program has been to increase harvested acreage from 73.3 million acres for the 1958 crop to 84.6 million acres for the 1959 crop. Intentions to plant for the 1960 corn crop are estimated by the Department to further increase to 85.8 million acres. They could possibly increase to 90 million acres.

While it is too early to see the ultimate effect of this program, it is significant to note that production of corn increased from 3.8 billion bushels in 1958 to 4.4 billion bushels in 1959. Further increases for 1960 are probable.

A summary of Department figures placed in the 1961 hearing record relative to corn is as follows:

Corn (bushels)	Support levels (percent)	Acreage harvested (million acres)	Yield per acre	Production (million)	CCC inventory (million)	Storage and handling costs (million)
1952.....	90	80.9	40.7	3,292.0	\$500.0	\$28.3
1956.....	84	75.6	45.7	3,445.3	1,245.6	71.5
1958.....	77	73.3	51.8	3,800.9	1,857.8	140.0
1959.....	66	84.6	51.5	4,361.2	1,861.3	133.5

In the face of this record, it is even more disturbing to learn that the Department is now recommending the same kind of program for the handling of wheat. This would certainly compound the problem, if adopted.

CORRECTIVE ACTION URGENTLY NEEDED

Members of this Committee tried to tell the Department in 1953 and subsequent years that farm income is based on "volume" times "price" less "cost." They tried to convince the Department that, if prices were reduced, the farmer—faced with increasing costs—of necessity would increase volume, and could do so since control by acreage is no longer effective. Prices were reduced, and production went up—not down!

While differences of opinion exist as to what should be done in the future, the record clearly shows what has been done during the past 7 years has been no solution. The situation becomes progressively worse for the farmer and the taxpayer, while the major benefits go to those between the farmer and the consumer. The above facts and experiences convince a majority of the Committee that the problem will never be solved until Congress attacks the problem at its base, which is overproduction.

It is the belief of a majority of this Committee that, for the protection of our overall economy, farm prices must reflect cost plus a reasonable return. Such prices, however, must be made contingent upon farmers holding farm production, in terms of bushels, bales and pounds, to domestic and normal foreign markets. If that is done an adequate price can be obtained at the market place.

This makes it imperative that present approaches to this problem be reversed if the Agricultural industry of this country is to survive, and if we are to prevent a bankrupt agriculture from pulling down the rest of our economy. Further, the taxpayers are not likely to continue to finance such needless and heavy expenditures which can be avoided if proper supports based upon farm costs are restored and made contingent upon actual production being held in line. Unless present programs are reversed, they will eventually wreck farm purchasing power, and eventually the entire national economy.

Farmers themselves are suffering most from these costly and ineffective programs. They are forced to operate in a manner that causes them to deny their families an adequate standard of living and in many instances they are taking fertility from the soil that they wish

to preserve for future generations. On numerous occasions they have expressed a desire to cooperate with the Federal government to bring about a correction of the farm problem. To a large extent their pleading has been ignored because of the influence of those between the farmer and the consumer who have prospered in the farmer's name and at the cost of the taxpayer.

After the experience of the past seven years, it appears absolutely necessary that production be brought in line with the needs of domestic and foreign dollar markets. Past approaches to overproduction must be reversed, using surplus commodities now on hand to ease the financial shock on the farmer and the general economy during the period necessary for adjustment.

And whatever we do, our investigations and hearings show we must operate the Commodity Credit Corporation on a strictly business basis, with due regard to safeguarding the assets of the Corporation in order to protect the United States Treasury.

THE COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States. From 1933 to 1939 the Corporation was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939 it was transferred to the Department of Agriculture by the President's Reorganization Plan I. Under The Commodity Credit Corporation Charter Act of June 29, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter.

The original capital in 1933 was \$3 million. The Act of March 8, 1938, gave CCC its first borrowing authority of \$500 million. This was increased periodically until it had reached \$6.75 billion in 1950. This amount has been increased four times since 1952 and now stands at \$14.5 billion.

The Corporation is managed by a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a director and chairman of the board. The board consists of the Secretary of Agriculture and six other members appointed by the President and confirmed by the Senate.

Under the provisions of the Corporation's Charter, its officers and employees are obligated to operate on a sound business basis and protect the assets of the Corporation. In the past, the officers and directors have been full time employees of the Department, and thereby able to give only a portion of their time and attention to this \$14.5 billion corporation, the largest in the world, handling the greatest volume of buying and selling of any business organization known.

The policies adopted and actions taken by Department and CCC officials in recent years have been disappointing to the Committee. In the opinion of many members, they have lacked complete objectivity.

As a result, the record indicates that much unnecessary cost has been incurred and much money has been wasted, all of which has to be restored by appropriations from the Treasury. Some of the weaknesses of the Corporation and some of its ineffective and inefficient practices and policies are discussed in detail in the following pages.

STORAGE COSTS EXCESSIVE

Many fail to realize that about half of the price support expenditures each year are for such items as storage and handling, transportation, interest and administration. Despite frequent comments concerning subsidies and price support benefits to the farmer, the amount which eventually goes to the farmer is only a portion of the cost. In fact every group seems to be cut in on profits far beyond those received by the farmer. In fiscal year 1959, for example, storage, transportation, administrative and interest costs were 49 percent of the total losses under the price support program. And, while the rates for these nonfarm costs assure a handsome profit, amounts paid to farmers as price supports hardly cover production costs.

In 1959, storage and handling charges totaled \$481.7 million. Storage charges for 1960 are estimated at \$612 million. Further, unless something is done to curb this increasing cost, storage costs are expected to exceed \$700 million in 1961. It should be noted that this latter amount is nearly equal to the cost of running all of the Department's regular activities in 1953, including research, marketing extension, soil conservation, crop insurance, regulatory activities, and forestry.

During this period, while support prices to farmers were being reduced by an average of 20 percent, rates paid to warehousemen for storage were being increased substantially. Further, since the farmer pays for the first year of storage, this increase in storage costs further reduced the net amount of his loan by the same amount. The total cost of storage was increased from \$73.3 million in fiscal year 1952 to \$481.7 million in fiscal year 1959. (Pages 483-486, Part 3, 1961 hearings.) During this same period, net income to the farmer dropped about 24 percent.

Committee investigations made in 1955 and 1956, which have been made a matter of record, disclosed various actions of the Department to increase storage costs through increased rates and benefits to private warehousemen and the use of commission merchants and forwarding agents in lieu of available Department personnel. These investigations also provided information to show that commodities were often moved from one area of the country to another, regardless of expense, in order to fill empty commercial warehouses, even though Government storage bins were left vacant. In 1955, over 16 million bushels of corn were moved from the midwest to the west coast at a cost to the Government of over \$8 million, even though vacant space remained at locations from which shipped.

A comprehensive Committee investigation conducted last fall provided further information which helps to explain why storage charges have increased so much in recent years. For example, this investigation included figures showing that storage charges paid certain warehouses during the period 1957 to 1959 were sufficiently high to allow the owners to recover their investment in buildings and equipment in a period of 2 years. In one instance, the investment was liquidated in 16 months. While uniform storage rates for uniform warehousing and storage appear sound, the same rate for inferior or low cost warehousing cannot be justified and is far too expensive to the Corporation.

Further, during this period of price reductions for the farmer and profitable increases for all others, the Commodity Credit Corporation disposed of usable Government-owned storage bins at a substantial

loss. During this same period, many CCC owned bins were leased to private persons, some of which were re-rented for storage of Government-owned grain. The figures on pages 758-759, Part 3, 1961 hearings, show that as of December 31, 1957, some 31.7 million bushels of CCC storage bins were leased for $\frac{3}{4}$ cent per bushel per month. Some of this was in turn re-rented by CCC for the standard annual rate of 16.5 cents per bushel, plus loading in and out charges.

Evidence has also come to the Committee's attention that Government-owned storage space such as bins and liberty ships was and is being held vacant in order to keep private warehouse space filled at excessive storage rates. Some of the largest recipients of storage and handling payments for 1958 and 1959, as shown on page 480, Part 3, 1961 hearings, are as follows:

Firms	1959	1958
C-G-F Grain Co.....	\$23,470,634	\$14,787,434
Cargill, Inc.....	12,103,615	13,226,341
Continental Grain Co.....	6,835,190	5,833,690
Union Equity Cooperative Exchange.....	6,717,599	6,452,587
Areher-Daniels-Midland Co.....	6,076,898	6,240,199
Harvest Queen Mill & Elevator Co.....	5,884,495	5,514,064
Federal Compress & Warehouse Co.....	5,076,893	4,447,039
Farmers Union Grain Terminal Association.....	4,781,426	3,328,488
Farmers Cooperative Comm. Co.....	4,102,697	2,463,576
Goodpasture Grain & Milling Co.....	3,824,297	3,676,577
Morrison Quirk Grain Co.....	2,929,588	1,867,762
Norris Grain Co.....	2,889,238	2,587,198
F. H. Peavey Co.....	2,806,431	2,428,860
Burrus Mills, Inc.....	2,787,837	2,176,169

Officials of the Commodity Credit Corporation state that these actions were taken under their interpretation of authority in Section 3 of the Charter of the Corporation, which reads as follows:

* * * That nothing contained in this subsection (b) shall limit the duty of the Corporation, to the maximum extent practical consistent with the fulfillment of the Corporation's purposes and the *effective* and *efficient* conduct of its business, to utilize the usual and customary channels, facilities and arrangements of the trade and commerce in warehousing commodities. * * *

It is the opinion of the majority of this Committee, in view of the obligation of the officers of the Corporation to protect its assets and thereby the taxpayer, that these actions do not constitute "effective and efficient" conduct of the Corporation's business.

RECLASSING OF COTTON

Since 1956, the Corporation has paid out over \$166 million in rebates on cotton reclassified after sale, a large part to international cotton traders who held such cotton for the Government in their own warehouses where they could easily have advance knowledge of reclassing rebates, thus preventing true competition at time of sale. A breakdown of this amount is set forth on page 314, Part 3, 1961 hearings. Much of this cotton was sold by such buyers from CCC in world trade at higher than the original class, as shown by previous committee investigations.

The Committee developed these facts in 1958 and the CCC stopped the practice for the past year—selling approximately 6 million bales without reclass after sale. Thus no rebate was paid. Notwithstanding this fact, yielding to pressure from those who received such rebates, the Department has again refused to reclass before sale so as to have maximum competition and treat all bidders alike. It has announced that for the ensuing year it will reclass cotton after sale on a discount basis.

In the opinion of the Committee such action shows an utter disregard of the obligation to protect the assets of the Corporation and thereby the taxpayer.

FAILURE TO SELL COMPETITIVELY

For a number of years the CCC, following orders of the Department, refused to sell U.S. agricultural commodities competitively in world markets, notwithstanding unlimited authority to sell competitively for dollars. Page 148, Part 3, 1961 hearings, shows the years in which commodities were not offered competitively. During that period, CCC stocks on hand increased from \$1.0 billion as of June 30, 1952, to \$3.7 billion on June 30, 1954, and \$5.0 billion on June 30, 1955.

Finally in late 1954, at the insistence of this Committee, the Department began selling some commodities competitively in world trade for dollars. Finally all commodities except cotton were offered. During this period, while cotton was held off world markets, CCC holdings of cotton increased from \$418,000 in 1952 to \$1,249,813,000 in 1956.

In 1955, at the insistence of this Committee, the first cotton was offered for sale abroad for dollars on a competitive basis and 1 million bales were sold in a very short time. Then at the request of American international cotton merchants, the Government again held U.S. surplus cotton off world markets. Congress then passed the Agricultural Act of 1956 requiring sales for dollars. Notwithstanding this legislation, the Department in 1958 refused to offer cotton at competitive prices "in violation of law" according to the Comptroller General. Exports dropped from 7.6 million bales in 1956-7 to 2.8 million bales in 1958-9. This course has cost the CCC and the people hundreds of millions of dollars and has done great damage to the U.S. cotton producers.

In 1959, competitive overseas sales were started again and exports for 1959-60 will again increase to a total of 6.5 million bales, from a low of 2.8 million bales in 1958-9 when the CCC, under instructions from the Department, was holding U.S. commodities off world markets, increasing storage costs and holding an umbrella over increased foreign production.

Despite the success of the competitive sales program, the CCC now is using the "payment-in-kind" approach, the cost of which is hard to determine. Future investigations will likely show exorbitant profits to many non-farmers.

LACK OF SALES PROGRAM

It will also be recalled that this \$14.5 billion corporation, which was purchasing increasing quantities of commodities each year, didn't

even have a sales organization or a sales manager until Congressional action was taken to require such a program. In 1956, this Committee created a special position of sales manager and directed the Corporation to set up a sales organization and undertake an aggressive sales program. The work of this sales manager has been fairly effective. However, domination by other officials of the Department and lack of authority to sell have reduced his effectiveness.

RECOMMENDED IMPROVEMENTS IN CCC OPERATIONS

These factors have caused a majority of the members of the Committee to agree that the operations of this huge Corporation must be improved. Considerable monetary savings could be made through improved operations.

The Committee believes that CCC would be more "effectively and efficiently" run and its assets better protected, if its officers were full-time employees of the Corporation rather than officials of the Department, with full time jobs with other activities of the Department. The Committee has therefore included language in the bill to require that the officers and directors of the Commodity Credit Corporation be paid from corporate funds, after February 1, 1961. This should have the effect of giving the Corporation more independence and should lead to greater efficiency in its operation and less impairment of capital, which will thereby reduce the amount of future appropriations required.

Further, since the officers and directors of the Corporation have the obligation to operate efficiently and to protect the assets of the Corporation, and thereby the Government and the taxpayers, a majority of the members of the Committee believe from the record before them that certain corrective actions are necessary with regard to storage practices.

The Committee urges the Corporation to decrease amounts paid for other than farmer-owned storage by at least the reduced value of the commodity stored, as determined by the reduction in price support levels and per-unit investment of the Government since 1952 in such commodities. It also urges the Corporation to discontinue the sale or lease of Government storage space to commercial concerns where such space can be used more economically to store commodities by CCC.

Further, should the Corporation's holdings be reduced to the point that competition exists between warehousemen at terminal markets or ports, a majority of the members believe that the CCC should set up guide rules or perhaps advertise for bids, in order to hold down costs and reduce the opportunity for favoritism in determining which warehouses will receive Government business at such points.

The Committee does not approve the moving of CCC stocks from Government storage bins and liberty ships into commercial space in order to pay commercial warehousemen storage costs. The Government-owned facilities should be used to capacity at all times. Furthermore, the CCC should not encourage expansion of commercial storage facilities beyond community needs by offering unrealistic rates that encourage highly speculative investments on the part of inexperienced grain storers. Prior to any request to the warehouse industry to provide additional storage, the CCC should make a survey to

determine the adequacy of space to handle stocks over an extended period of time.

The Committee is firmly opposed to the proposal to reinstate reclassing of cotton after sale. They oppose it for two reasons: *first*, it adds to the capital impairment of the Corporation and increases the annual appropriations by lessening competition and funds received by CCC from sales; and *second*, such a practice gives a definite advantage to the large cotton buyers who also have large quantities of CCC-owned cotton stored in their warehouses and thereby are in a position to anticipate rebates from reclassing in offering bids for cotton purchases from CCC on a competitive basis.

The Committee has included language in the bill, therefore, which prohibits the use of CCC funds to carry on cotton reclassing after time of sale. It is of the opinion that any reclass of cotton should be contingent upon determination by CCC that there is a need for such reclass. Further, it believes that cotton should be sold by sample or catalogued so as to give all purchasers an equal opportunity to bid. The Committee notes that the Department, following such a course, sold 6 million bales of cotton this year without such reclass after sale.

NEW APPROACH TO PRODUCTION CONTROL NEEDED

The most serious problem facing Agriculture today is the continued overproduction of crops already in surplus supply. Yields per acre for nearly all crops have increased steadily in recent years. Total production has also increased, despite acreage controls and the Soil Bank.

When the present system of acreage controls was placed into effect over 20 years ago, it was fairly effective, since acreage yields were limited by the type of agriculture used at that time. In recent years, however, this means of control has become completely ineffective due to improved methods of cultivation and increased use of machinery, fertilizer, insecticides, and improved seed.

It is apparent to this Committee that something has to be done. Correction must be made, both for the welfare of the farmer and the Federal Treasury.

In seeking a solution, several facts are evident:

(1) What we have been doing hasn't worked. After spending or committing ourselves to spend nearly \$26 billion, the record shows the situation to be three to four times worse in terms of surplus inventories of CCC.

(2) Farm income is now so low, even with the sale of the overproduction to the Government, that farm purchasing power must be protected from a further drop.

(3) Any future farm program must provide that farm income shall come from the production of that quantity of product necessary for domestic and foreign markets. In the interest of the over-all national economy, such production must reflect farm costs plus a reasonable profit. Such income should come from the *market place*.

(4) To bring about correction, we have one factor which should enable us to scale back overproduction without injury to farm income or further cost to the taxpayer during the period of adjustment. This is the \$9.2 billion of CCC commodities on hand which are already paid

for. Commodities from these stocks should be offered to farmers in consideration for cutting back farm production.

If such a plan were put into effect, there would be a number of important benefits to the national economy—(a) the Government would save storage costs, (b) price support costs would be reduced in line with production actually eliminated, (c) farmers would save the cost of producing extra units of production for which there is no market. Further, no additional outlays of funds would be required to accomplish this objective, since commodities to be used are in Government stocks and will otherwise be given away under Public Law 480.

Once production and demand are in reasonable adjustment under this program, it would appear that fair and reasonable price supports should be provided for the farmer's share of the domestic market. Any overproduction should be eligible for foreign markets at world prices. If this course were followed, the cost to the Government would be negligible.

The other course which might be followed would be to continue price supports on total production, limited to domestic and foreign markets. If this approach were used, the Government would continue to pay the cost of the difference between the support price to offset high American costs and the world market.

Whichever course is followed, or if some other answer is to be found, it is the belief of a majority of this Committee that the Department and the Congress should get together without delay on a plan to use surplus commodities on hand to get farmers to cut total production of wheat and feed grains—the area of greatest difficulty at the present time—which commodities must be considered together. Merely cutting acreage will not work, as shown by the record.

The Department should be authorized to immediately institute a program which will encourage each producer of wheat, corn, and feed grains to curtail his production up to 25 percent in any one year in return for the transfer to him from CCC stocks of an equal quantity of the commodity for which reduction was made.

Under such a plan, the Secretary of Agriculture would transfer from Government stocks of wheat, corn, grain sorghum, or other feed grains, which are otherwise available for shipment to foreign countries under Public Law 480 and similar programs, to any U.S. producer of said grains upon the following terms and conditions:

- (1) The producer must reduce his total production of wheat, corn, grain sorghum, or other feed grain below his average production of all of said grains for the three preceding years.

- (2) The Secretary shall first enter into an agreement for a period of from one to three years with any such producer of wheat, corn, grain sorghum, or other feed grain, or any combination thereof, which will require upon the part of such producer that he reduce his total production of all of said grains below his average production of the three preceding years before such producer can qualify to receive government stocks.

- (3) The Secretary shall determine the amount of such transfer of said feed grains to be offered for transfer in any year to any one producer, but in no case shall the amount exceed 25 percent of the average production of said producer for the three years next preceding the date of such agreement. Such transfer may be made by transferring warehouse receipts.

(4) To obtain such Government stocks, each farmer must (a) file notice with the county committee that he expects to avail himself of such offer, (b) agree in writing to reduce his total production of all or any combination of such grains for the years included in such agreement, (c) submit a statement of his production of all of said crops for the three preceding years, together with such additional proof as may be required by the Secretary, (d) certify that he will not increase his production of other commercial crops, and (e) supply such proof of reduced production as the Secretary may require.

(5) Insofar as practical, grain so transferred shall be of the same type and kind as that for which reduction in production was made by such producer. When not practical, such transfer shall be in quantities of grains of equivalent monetary value.

(6) The Secretary of Agriculture would be authorized to issue such rules and regulations as may be essential to carry out this provision.

As a part of such a plan, a commission could well be appointed to study and prepare a farm plan for submission to the Congress after adjustment of production has been made. Such plan should be based on protecting farm income at the market place and keeping production in line with domestic and foreign markets. This approach is deemed necessary because of wide differences which now exist between farm organizations and between farm leaders, including those in the Congress.

It is believed by a majority of the members of the Committee that this proposal is a start in the right direction, that is, toward a program of balancing production with market demand and the long time need to maintain soil and water resources. It would provide an effective means of controlling production through production quotas on the quantity of a commodity which may be produced and marketed. In addition, it would save farmers their present cost of production on that part of their production eliminated, and would save the Government the price support and storage and handling costs on the surplus which otherwise would be produced. It is to be noted that, under this plan, the Government would save storage costs of from 11.68 cents per annum for oats to around 16.5 cents for corn and 17.885 cents for wheat and flax, for each bushel removed from storage. Also, it should be remembered that it would cost the Government little, if anything, for commodities transferred to farmers in payment for reduced production, since such commodities are now on hand and will otherwise be given away under the "foreign aid" Public Law 480 program.

BENEFITS TO GENERAL PUBLIC

As pointed out in previous years, most of the programs of the Department are of direct benefit to every citizen of the United States and should not be considered to be exclusively for the benefit of the farmer. American consumers in general receive as large a share of the benefits from Federal funds spent for agriculture each year as do the farmers themselves. Programs benefiting the general public as much or more than the farmer include the following:

(1) *Improvement and protection of public health*, including home economics and human nutrition research, plant and animal dis-

ease and pest control, meat and poultry inspection, school lunch and special milk programs, and donations to schools, institutions and needy people.

(2) *International relations and National defense*, including Foreign Agricultural Service, donations to Veterans Administration and Defense Department, donations to needy people abroad, International Wheat Agreement, emergency famine relief, sales for foreign currencies (Public Law 480), and bartered materials for stockpile.

(3) *Regulation and improvement of marketing*, including marketing research and regulatory activities, market inspection, grading, classing and standards, agricultural estimates, market news services, freight rate services, the Commodity Exchange Authority, and the Farmers Cooperative Service.

(4) *Conservation of natural resources*, including the Soil Conservation Service, watershed protection, flood prevention, great plains program, and the agricultural conservation program.

Of the funds expended for agriculture for fiscal year 1960, it is estimated by the Department that over 54 percent will be spent for programs which benefit the general public as well as the farmer. Estimated expenditures for fiscal year 1961 indicate the same situation. (Page 26, Part 1, 1961 hearings.)

AMERICAN CONSUMER EATING BETTER

Further, it should be pointed out that the American consumer is eating more and better food at less cost than ever before in history. While per capita income in the U.S. has increased steadily each year, consumers are spending a smaller share of this income for food. Department of Agriculture statistics (page 85, Part 1, 1961 hearings) indicate that the average American consumer is spending about 21 percent of his income for food, as compared to 23 percent in 1951 and 27 percent at the end of World War II. Figures on page 87, Part 1, 1961 hearings, show that one hour of factory labor will buy twice as much food as it would 30 years ago. In 1929, one hour of labor would buy 6.4 loaves of bread, while in 1959, one hour of labor bought 11.3 loaves. One hour of labor will now buy 17.6 pints of milk as compared to 7.8 pints in 1929. The same relationship applies for meat, butter, eggs, potatoes, oranges, and most other agricultural items.

DONATIONS AT HOME AND ABROAD

When considering the cost of agricultural programs, it is important to realize that a significant part of the cost of the Department of Agriculture is due to the furnishing of foods to needy people, both in the US and overseas. Since 1953, \$1.3 billion of surplus foods have been distributed to the needy people of this country. This has been of direct help to states and local communities in handling their own welfare programs. In 1959, over 21 million Americans benefited from these surplus foods. Since 1953, approximately the same amount of surplus foods have been given to needy persons in foreign countries. These donations have been made through U.S. voluntary agencies in which church affiliated organizations have played an important part.

EVERYONE BUT FARMER BENEFITS FROM P.L. 480

While the cost of the P.L. 480 program, which is paid for in American dollars, is carried in the Agricultural Appropriation Bill and therefore charged against the farmer by those who are unfriendly to Agriculture, most of the real benefits seem to go to everyone but the American farmer. Some 85 to 90 percent of all foreign currencies received in payment for foods shipped abroad is either given or loaned back to the government of the recipient countries. These funds, which are frequently used to create or expand foreign agricultural production in competition with U.S. producers, are handled by the International Cooperation Administration as a supplement to the regular foreign aid program.

The balance of these foreign currencies are set aside for the use of the United States to meet overseas expenditures which otherwise would have to be met by appropriations from the U.S. Treasury. Under the provisions of Section 104 of Public Law 480, these foreign currencies may be used for a variety of U.S. purposes abroad, including market development, trade fairs, supplemental stockpiling, educational activities, translation and acquisition of foreign publications, scientific activities, construction of U.S. buildings and operation of U.S. agencies.

The bulk of these currencies are being used overseas for such things as State Department foreign aid operations, military housing, stockpiling, and educational and research activities. Yet the cost of the foreign currencies used for these programs has been included in the Agricultural Appropriation Bill, rather than in the bills of the appropriate Federal agencies. On May 5, 1958, an official of the Commodity Credit Corporation pointed out that present legislation prevents CCC from even recovering interest which it must pay from those agencies which derive benefits under the barter program of Public Law 480. In connection with overseas military housing financed through this means, he stated:

Under our arrangements with the Department of Defense, CCC will receive reimbursement for its investment from savings in quarters and station allowances which would otherwise be paid to the military personnel occupying the completed housing. Based upon Department of Defense estimates, CCC will not recover its investment in the housing for a period of some 17 years.

During this time, CCC must pay interest to the U.S. Treasury on the \$50 million which it has tied up in the housing. This interest cost, running to about \$14 million, cannot be recovered from the Department of Defense under existing legislation and will be reflected as a charge against the farm program administered by the Department of Agriculture.

In my opinion, I would be derelict in my responsibilities if I recommended the approval of other housing projects of this kind.

THE CRANBERRY INCIDENT

The situation which developed last fall with respect to the misuse of chemicals on cranberries and caponettes on a relatively small percentage of total production points up a serious problem facing Agri-

culture with respect to the use of pesticides and sprays. From the standpoint of public health it should be recognized that many such chemicals are necessary to protect food. Failure to use insecticides could result in the production of foodstuffs even more harmful to human health than those heretofore condemned. Also, pesticides and sprays must be used by farmers to produce the high quality and low cost foods which the consumers of the United States are demanding. Further, the use of sprays is necessary to prevent sizable economic losses to the nation from pest and disease damage to crops.

The development of more effective insecticides is one of the reasons why only 12 percent of the people in this country are able to feed the other 88 percent—a situation which has never before existed in the history of the world.

Farmers are continually harassed by plant and animal pests and diseases. They cost farmers billions of dollars annually. For example, the European corn borer has become one of the most injurious enemies of corn in this country. It causes substantial losses every year and in recent years these losses have sometimes ranged over \$150 million annually. Cotton insects, principally the boll weevil, cause tremendous annual losses, to which must be added the cost of chemical controls. Cotton farmers must spend \$75 million or more annually for insecticides. Since pioneer days, grasshoppers have caused extensive damage to both crops and rangeland. Annual losses from this pest are over \$100 million. Cattle grubs are distributed over the entire country, causing losses of about \$100 million annually from losses in weight and production, damage to hides, and loss of meat in dressed carcasses.

The wide variety of chemicals used for control of pests and diseases today serves only to allow a farmer to hold his own or stay even in his production. Without the proper use of chemical controls, flies would contaminate milk with filth and create a hazard to the public health. The codling moth, phony peach disease, peach mosaic, pear blight, and the apple maggot plague the farmer by reducing the quality and quantity of his fruit crops. It would not be possible to market apples, peaches, and pears free of worms, rot, scab, etc., without proper use of chemicals. These are but a few of the problems which the farmer must meet in order to provide consumers with an adequate supply of safe foods of good quality.

Subsequent to the regular hearings on the 1961 Budget, the White House announced that the Department of Agriculture would make indemnity payments of around \$10 million to cranberry growers who sustained losses on good and wholesome berries harvested in 1959 because the market for good berries had been destroyed as the result of the unfortunate method of handling contaminated berries, which totaled less than one percent of the total crop. As a result of this precipitous action, cranberry sales of good berries were cut by two-thirds during the last holiday season. It is estimated that there will be a carry-over of cranberries of nearly one million barrels of such wholesome berries into the next season, nearly a full year's crop.

The payment of such indemnities are proposed to be made under clause (3) of Section 32, which reads as follows:

Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture on to * * *

(3) reestablish farmers purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. * * *

It is understood that payments will be limited to wholesome and edible cranberries. Improperly treated berries have been or will be destroyed. The Department justified its action in making these payments on the basis that damage to the market for good berries resulted from governmental action.

In the opinion of the majority of the members of the Committee, this entire situation was uncalled for and most unfortunate. It is believed that this damage to an important industry of the Nation would not have developed, had it been handled properly at the outset. Such damage can be and should be avoided in the future. If such action becomes necessary in the future, it is to be hoped that the industry affected can be protected and only those who may have violated regulations will be penalized.

Further, it is expected that responsible officials of the two departments—Agriculture and Health, Education, and Welfare—will work together with private interests so that they can all share in the responsibility of establishing and announcing standards to be followed in the use of chemicals for agricultural purposes.

The Committee also feels that the \$10,000,000 indemnity payment announced by the President is not a proper charge against Agriculture and the Department of Agriculture should not be expected to pick up the check for such damages in the future.

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service conducts the production and utilization research of the Department (except forestry research), and the inspection, disease and pest control, and eradication work associated with this research.

Research.—The Committee recommends \$67,934,000 for the research programs of this agency during the fiscal year 1961, which is \$1,047,700 less than the budget estimate. The increase of \$212,410 over funds appropriated for 1960 covers several essential research needs for the coming year.

One of these is research on protection from flood and erosion, which is one of the major needs of our nation. Through various programs, the Department spends over \$600 million per year for soil conservation and related work. This is exclusive of funds provided to the Corps of Engineers, and the Reclamation Service. Land owners contribute additional amounts.

For several years, this Committee has realized the necessity for research to properly support the action programs of the Department. The Committee therefore has provided \$950,000 for establishment of four soil and water conservation research facilities; \$600,000 for staffing and operation of the new Ames Laboratory which will be ready for operation in 1961; \$250,000 for expanded research on tobacco; \$250,000 for research on chemicals and biological measures to reduce or avoid hazards from pesticide residues; \$700,000 for additional utilization research; \$125,000 to enable the Department to increase research where most essential at existing soil and water con-

servation research facilities; and \$496,400 to cover the government's share of employee health benefits pursuant to Public Law 86-382.

The \$950,000 included for additional soil and water conservation projects includes \$250,000 for research on improved practices for conservation farming and ranching in the southwest; \$350,000 to establish a national center for basic research on soil, plant, animal and human nutrition relationships in the northeast; \$200,000 to expand research on hydrology problems in the southern great plains area; and \$150,000 to strengthen existing research at a land-grant college in the northwest area where an acute erosion problem is causing the loss of soil at an alarming rate.

Production of tobacco is one of the major agricultural industries of the country. Tobacco is grown on a total of approximately 1.2 million acres in 22 States and is a major source of income in 8 of these States. Total production of tobacco in 1959 was about 1.8 billion pounds which brought over \$1 billion cash income to producers. Tobacco produces about \$2.5 billion per year in taxes, \$1.7 billion of which goes into the Federal Treasury.

At the present time, the tobacco industry faces a number of problems, including fixed price ceilings, fixed acreage, and increased labor costs, which now total 65 percent of production costs. Work methods used in tobacco production are still almost entirely manual and between 400 and 500 hours of human labor is required to produce and harvest an acre of tobacco. These factors make it imperative that means be found to improve and mechanize production and harvesting methods and techniques. Therefore, the Committee has added an additional \$250,000 for such research. These funds should be used for planning, construction and equipping greenhouses and special laboratories for tobacco research work at a new research center to be established in Kentucky from State appropriations of \$1,000,000.

One of the most promising solutions to the problem of spray residues may come from the development of chemicals and biological control measures which will not leave spray residues on the food marketed. In view of the need to develop better and safer pesticides and sprays, as discussed earlier in this report, the Committee has included an additional \$250,000 in the bill for 1961 which should be used to evaluate, reorganize, and strengthen the programs of the Department in this general area. Such work should be done jointly with the Department of Health, Education, and Welfare and the various private chemical producers throughout the country. Over \$6 million is now being spent annually by the Department for research on insects and chemicals used in sprays and pesticides. Information furnished to the Committee indicates that U.S. chemical companies are currently spending another \$25 to \$30 million annually for similar research.

The 1961 budget estimate includes an increase of \$2,212,800 for utilization research, \$1,512,800 by direct appropriation and \$700,000 by curtailing various existing research activities so as to redirect funds from farm research to utilization research. The Committee recommends the sum of \$900,000 for this purpose, \$700,000 to come from increased appropriations and \$200,000 to be obtained by redirection from farm research. The Committee believes, however, that existing stations should not be closed in working out this redirection of funds.

The amount included in the bill for utilization research would provide approximately \$200,000 for research on cotton. It is recommended that, from this amount, the Department should make advance preparations for the operation of the Boll Weevil Laboratory authorized last year, by obtaining personnel to be used on existing research projects until such laboratory is ready for occupancy early in fiscal year 1962. It is further recommended that the balance of these funds be used to carry out essential research at branch laboratories located at Baton Rouge, La., College Station, Tex., and Florence, S.C., and to strengthen mechanical stripper and gin stand research.

The special fund of \$1,000,000 of unused prior year funds established last year to provide part time sub-professional help on a contract basis has been continued for the coming fiscal year.

Plant and animal disease and pest control.—The sum of \$52,011,000 is recommended for the coming fiscal year, an increase of \$2,210,400 over fiscal year 1959 and an increase of \$3,235,400 over the budget estimate, largely for the brucellosis eradication program. The amount proposed includes increases of \$75,000 to put on a full year's basis the regulatory activities under the Federal Insecticide, Fungicide and Rodenticide Act: \$400,000 to expand the plant quarantine inspection staff at ports of entry, particularly those of the St. Lawrence Seaway; \$150,000 for staffing the New Ames Laboratory to be opened in 1961; \$2,167,700 for the brucellosis eradication program; and \$306,000 for employee health benefit costs. These increases are offset by decreases of \$888,300 for non-recurring costs of screwworm eradication and transfer of leasing costs to the General Services Administration.

During the hearings this year, Departmental and other witnesses testified to the need for increased quarantine protection to prevent the introduction into this country of plant and animal pests and diseases. The Committee recognizes that continually increasing travel and foreign commerce, a part of which is now coming directly into the Great Lakes area, have added to the danger of such introductions. It is expected that these trends will continue.

While the Committee realizes the necessity of preventing agricultural pests from gaining entry into this country, it also believes that the problem can be met without steadily rising Federal costs for handling this problem. The Department is directed to work out with the carriers, representatives of industry, and other agencies and organizations a program (1) to place additional responsibility on the carriers to provide absolute notice to all travellers, to the end that any person who may bring prohibited articles into this country will have willfully violated such restrictions, and (2) to provide a system of fines which will offset this increasing cost as well as reduce the danger.

In view of the fine relationship between this country and Canada, and the joint interest in this problem, the Committee also believes that it would be far better if arrangements were worked out to check all incoming ships at the original port of entry of the St. Lawrence Seaway. This should prove more effective and more economical than the procedures presently contemplated.

The Department is directed to report to the Committee next year on the progress which has been made in these matters.

The 1961 budget included \$15,582,300 for brucellosis eradication, a reduction of \$1,250,000 below the 1960 appropriation. A great deal

of testimony was received from members of Congress and others as to the urgent need for further expansion, rather than reduction, of efforts by the Federal Government in this area. In addition, information was presented to show that the reduced level of expenditure proposed for 1961 would not only postpone eventual eradication by many years, but would double or triple the cost of eventual eradication. In view of this very convincing evidence and strong support for the expansion of this work, the Committee has included a total of \$19,000,000 in the bill for 1961.

Meat inspection.—The bill includes \$21,562,000 for this activity for 1961. This amount provides an increase of \$237,100 for employee health benefit costs. It permits the continuation of meat inspection activities of the Department at the 1960 level of operation.

Foreign currency program.—The 1961 Budget for the first time proposes appropriations for the use of foreign currencies generated from sales under Title I of Public Law 480. Previously these funds have been spent without the usual appropriation controls. The estimates under this head include funds for market development research under section 104(a) and agricultural and forestry research under section 104(k).

The Committee recommends \$15,131,000 for 1961, an increase of \$3,074,500 over funds expected to be used for these purposes in fiscal year 1960. Since Public Law 480 was created originally to develop and expand foreign markets for U.S. agricultural products, the Committee feels that the full amount is justified. Further, it feels that the use of foreign currencies for market development and related research should have priority over other purposes for which such currencies may be used under the law.

Construction of facilities.—Language was included in the appropriation act last year authorizing the transfer of the land used by the Entomology Research Laboratory at Orlando, Fla., from the Defense Department to the Department of Agriculture. In the report, the Committee called on the Department to select possible alternative sites so as to eventually sell this valuable land for commercial use. The 1961 Budget proposes an appropriation of \$900,000 to provide new facilities to replace those located on the property at Orlando proposed for sale.

The Committee has disallowed the proposed appropriation and has included in lieu thereof language which will permit the sale of these facilities and the use of the proceeds for the establishment of a new laboratory at whatever site the Secretary of Agriculture may determine.

State experiment stations.—An appropriation of \$31,803,000 is proposed for grants to State experiment stations for the coming fiscal year. This amount includes \$31,553,000 for payments to states and \$250,000 for the penalty mail costs of the program.

The appropriation recommended continues available in 1961 the program provided for 1960, the appropriations for which represent an increase of 150 per cent over funds provided for this purpose in 1952:

EXTENSION SERVICE

The cooperative agricultural extension work of the Department aids in making available to the people of the United States useful and practical information on subjects relating to agriculture and home eco-

nomics and encourages the use of such information. The work is carried on by incorporating research results, technological advancements, and other facts of the Department, the agricultural colleges, and the experiment stations into a national educational program to provide the means by which people can solve their farm, home, marketing and related problems. The Extension Service is financed from Federal, State, county and local sources, and the use of funds provided is under the control of the States. The funds are used within the States for employment of State specialists, county agents, home demonstration agents, 4-H Club agents, and others who conduct among rural people joint educational programs adapted to local problems and conditions.

Payments to States and Puerto Rico.—The sum of \$55,715,000 has been included in the bill for 1961 for this purpose, an increase of \$2,000,000 over funds provided for fiscal year 1960.

The budget request proposed an increase of \$2,865,000 for additional personnel to strengthen and expand the rural development program. The increase was requested for additional personnel, to provide rural development help in new areas similar to the work now being carried on in about 200 counties. The Committee agrees that some attention should be given to this need in the other counties of the nation not now covered. It feels, however, that the work should be performed by the regular extension agents and work force in such counties. It does not feel that the building up of a separate organization or additional staff to carry on this activity is advisable. The Committee has therefore provided \$2,000,000 for such regular extension workers as may be needed in counties which desire to set up this program.

A number of States have used the substantial increases made in this item in recent years for additional personnel at the State and county levels. Many of these States have failed to maintain the salaries of county agents at a level comparable with agents in other States. In such States, the funds in this bill should be used for the present number of employees at the county level to place salaries at a level comparable with other States. Testimony before the Committee indicates that salary increases are needed in 22 States to maintain comparable levels. Further, the disproportionately large amount which has been used for specialists at the State level in recent years would indicate that further increases for that purpose are not warranted at this time.

In discussing economic conditions in Agriculture with the Director of the Extension Service during the hearings this year, the lack of interest by young people in farming as a means of livelihood was considered. It is significant to note the gradual decline in agricultural students. Department figures found on page 527, Part 1, 1961 hearings, show that only 31,722 out of 411,437 undergraduate students in the nation were enrolled in agricultural courses in 1959.

Retirement costs for extension agents.—The bill includes \$5,875,000 for fiscal year 1961, an increase of \$200,625 over 1960 funds and a decrease of \$86,000 in the budget estimate. The additional funds allowed will be required to cover the Federal share of retirement costs for the increased funds allowed for county extension workers.

Penalty mail.—The Committee recommends \$2,490,000 for penalty mail costs of state extension directors and county extension agents

during 1961, as authorized by law. This is approximately the same amount as was provided for fiscal year 1960.

Federal Extension Service.—The Federal Extension Service provides for leadership, counsel and assistance to the 50 states and Puerto Rico. As of November 30, 1959, there were 238 employees in this organization, 231 of whom were stationed in Washington.

An appropriation of \$2,255,000 is proposed for fiscal year 1961. This amount provides an increase of \$12,460 over 1960 for employee health benefit costs. It is a reduction of \$137,660 in the budget estimates.

FARMER COOPERATIVE SERVICE

This Service conducts research, advisory and educational work with cooperatives on problems of organization, financing, management policies, merchandising, costs, efficiency, and membership, to help farmers who are members of such organizations improve the operations of their businesses. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. The Service also advises other Federal agencies on problems relating to agricultural cooperatives.

The Service carries on its work through three program divisions—Marketing, Purchasing and Management Services. On November 30, 1959, the Service had 110 employees, all stationed in Washington.

The sum of \$620,000 is recommended for the coming fiscal year. This includes an increase of \$4,200 for employee health benefit costs. It is a reduction of \$24,650 in the budget estimate.

SOIL CONSERVATION SERVICE

The Soil Conservation Service assists soil conservation districts and other cooperators in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. The Service also develops and carries out special drainage, irrigation, flood prevention, and watershed protection activities in cooperation with soil conservation districts, watershed groups, and other Federal and State agencies having related responsibilities.

Conservation operations.—During the current fiscal year, soil conservation assistance has been provided for 30 new districts which have come into existence. It is expected that an additional 20 districts will be organized in 1961, which will bring the total to 2,911 districts by June 30, 1961.

The Committee recommends an appropriation of \$83,132,000 for the coming year, an increase of \$810,000 over the 1960 appropriation and an increase of \$250,000 over the budget estimate. Of the increase over 1960, \$600,000 is required to cover employee health benefit costs. This is offset by a transfer of leasing costs of \$40,000 to the General Services Administration. The balance of the increase, \$250,000, is provided to meet the increasing needs for technical assistance, particularly for the 20 new districts expected to be organized next year.

As this program continues to expand throughout the country, added attention must be given to the increased possibility that areas which can't justify separate soil conservation services should be organized into existing districts. The Department is cautioned to watch future expansion closely, therefore, to make certain that new districts brought into the program serve a genuine conservation need.

Funds have been included under this item for 1961 for the conversion of activities at Coffeeville, Mississippi, to a plant materials center in the mild, temperate zone of the upper coastal plain. Land, buildings, and equipment are now owned by the Federal Government.

Watershed protection and flood prevention.—For watershed protection, the bill carries an appropriation for 1961 of \$32,000,000. During the 1960 fiscal year, a total of \$32,276,964 is available for this program, including an appropriation of \$22,750,000 and a carryover of unused funds from fiscal year 1959 of \$9,526,964. The amount of \$32,000,000 included in this bill, therefore, will make available approximately the same amount for fiscal year 1961. The amount is sufficient to restore the planning funds available in 1960 and to finance a total of 42 planning parties during the next year.

Testimony before the Committee indicates that more than 1,200 communities throughout the nation have requested help in developing watershed plans. It further shows that assistance has been authorized for about 500 of these, that some 200 plans have been approved, and that construction has started on about half of these. In view of the large number of applications still awaiting plans, and in view of the large number of approved projects awaiting construction funds, the Committee has increased the watershed protection funds above the amounts requested. In the opinion of the members of the Committee, the amount of interest in this program in all areas of the country, and the urgent need for increased attention to the conservation of the soil and water resources of this country, warrant even larger amounts than those recommended in the bill.

For the flood prevention work in the eleven major watersheds authorized by the Flood Control Act of 1944, the Committee has included an appropriation of \$18,000,000, the same as provided for fiscal year 1960.

Legislation just enacted authorizes additional works of improvement in accordance with the provisions of section 4 of the Watershed Protection and Flood Prevention Act in connection with the 11 watershed improvement programs provided for by the Flood Control Act of 1944. It also authorizes the making of loans to cover the local share of both the flood prevention and non-flood prevention features of these 11 watersheds. Therefore, language has been included to make the flood prevention appropriation available for these purposes.

As pointed out in last year's report, the work under this program has lagged far behind that envisioned when the program was initiated in 1944. It now appears that this flood prevention work, which was originally estimated to take 15 years to complete, will take 40 years or more to complete at the present rate of progress. If slowed down even more, as proposed in the 1961 budget, this time could be extended another 10 years.

Floods in the United States cause damages of more than \$1 billion per year. The Department of Agriculture estimates that about 56 percent of all these damages occur in upstream watersheds, primarily to agricultural interests. It is estimated that the 212 approved Public Law 566 projects covering 12.5 million acres will reduce average annual flood damages of \$16 million by 78 percent. In the 11 authorized flood prevention watersheds covering 30 million acres, the programs, now 30 percent installed, will reduce the \$40 million annual flood bill by more than three-fourths when completed.

The severe April-June 1957 floods in Texas, Oklahoma, and Arkansas caused \$159 million damages in upstream watersheds alone. Small watershed programs completed on less than 2 percent of the area prevented losses of more than \$2 million. If all upstream watersheds had been treated, 70 percent of the losses equal to \$109 million could have been prevented. Even though 56 percent of total flood losses occur in upstream watersheds, Federal appropriations have provided about 63 dollars for flood control on main streams to every one dollar for upstream watershed flood prevention.

Great Plains conservation program. The bill includes the full budget estimate of \$10,000,000 for fiscal year 1961. This will permit the continuation of the program at the 1960 level of operation.

AGRICULTURAL CONSERVATION PROGRAM

The purposes of this program include restoring and improving soil fertility, reducing erosion caused by water and wind, and conserving water on the land. To effectuate these purposes, the agricultural conservation program offers cost-sharing assistance to individual farmers and ranchers for carrying out approved soil building and soil and water conserving practices on their farms. The Federal assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost—50 percent on the average—and in addition often supplies the labor necessary to carry out the practice.

An appropriation of \$242,000,000 is included in the 1961 bill for payments earned under the program authorized in the 1960 Appropriation Act. This amount, which is a reduction of \$600,000 below the budget estimates, is believed to be adequate to meet all commitments under the 1960 program. The amount recommended is the minimum which must be provided, however, since commitments under the 1960 program authorization are binding upon the Government and the Congress.

The Committee also has restored the authorization for the 1961 program to the \$250 million level. This is the fifth time since 1952 that the budget has proposed to reduce the size of this program. In every year but one, Congress has restored the full \$250 million level of operations. Declining farm income makes it imperative that the nation continue this program to prevent further depletion of the nation's soil.

As has been pointed out in prior years, this program provides the primary financial support for the entire conservation effort of the Department. The program has about 1¼ million participants each year, which represents 25 percent of all farming units in the United States. Further, it gets conservation work done at much less cost to the

Government than other programs such as the Conservation Reserve and the Great Plains program. The average ACP payment per participant is less than \$250 and the cost per acre averages about 60¢, as compared with payments under the Great Plains Program of \$4,000 per farmer and \$2 per acre.

The budget proposes the elimination of the proviso inserted last year placing restrictions on the distribution of ACP funds among counties. It will be recalled that this language is designed to prevent changes in fund allocations as a means of forcing the elimination of practices which might otherwise be included by a county in its list of approved practices. The Committee has retained the language for 1961. It is of the opinion that State committees can make changes from 1958 allocations on a reasonable basis by exercising their authority to reallocate funds among counties as fund requirements change.

Several years ago, the Congress provided additional funds to bring the salaries of county ASC employees more nearly in line with salaries of other Federal employees throughout the country. The Committee believes these employees should have benefits similar to other full time workers. This, however, will take legislation. However, the Committee does believe that county committees should have the right to keep salaries of county office employees in line with salaries of other Federal employees of comparable qualifications from savings effected by not filling vacancies. The Department is requested to authorize such action.

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service aids in advancing the orderly and efficient marketing and the effective distribution of products from the Nation's farms. The domestic marketing and distribution functions of the Department are centered in this Service. The Administrator is also responsible for the coordination of all statistical work of the Department. The functions of the Service include the following: marketing research; analyses of economic data; crops and livestock estimates; market news services; inspection, grading, classing, and standardization of farm products; freight rate services; regulatory activities; cooperative programs in marketing; the School Lunch Program; removal of surplus agricultural commodities; and marketing agreements and orders.

Marketing research and service.—An appropriation of \$43,153,000 is recommended for 1961, including \$16,315,000 for marketing research and agricultural estimates and \$26,838,000 for marketing services. The amounts proposed are \$11,100 over the budget estimate and \$1,685,900 over the 1960 appropriation.

The increase provided for the marketing research and agricultural estimates appropriation includes \$750,000 to initiate a long-range program to improve crop and livestock estimating services; \$50,000 to provide for agricultural estimating services in Hawaii and Alaska; and \$102,500 for employee health benefit costs.

The increase for marketing services provides \$50,000 for more effective supervision of grain inspection; \$40,000 to strengthen enforcement of the Federal Seed Act; \$31,000 for initiation of market news services in California and Louisiana; \$500,000 for additional poultry inspection; and \$207,600 for employee health benefits. These

are offset by a reduction of \$45,200 due to transfer of leasing costs to the General Services Administration.

A total of \$10,796,000 has been included for poultry inspection during the coming fiscal year. This is an increase of \$500,000 over funds provided for 1960 to be used to provide inspection at poultry products processing plants as deemed by the Department to be necessary to the protection of public health. This action has been taken by the Committee in order to provide additional protection to the consumers of the Nation.

Considerable testimony has been received by the Committee indicating the need for additional research funds for this agency to expand cotton quality evaluation research at Clemson, South Carolina and Lubbock, Texas, and to undertake additional types of research to improve cotton fiber, to develop improved instruments for measuring cotton quality, and to learn more about how cotton fiber performs during the weaving and finishing processes.

The Committee is unable to provide additional funds at this time for this purpose. It recognizes the importance of this problem, however, and feels that work along these lines should be undertaken during the next year. It recommends, therefore, that the additional work proposed at Clemson and Lubbock be undertaken by the redirection of funds from present research on costs and margins of marketing cotton, and cottonseed economic studies and evaluations. It further recommends later in this report that basic fiber research, instrument development, and studies of weaving and finishing facilities be undertaken on a contract basis through the use of Commodity Credit Corporation funds available for research purposes.

At the request of this Committee several years ago, the Department made a thorough study of the need for improved accuracy in crop and livestock estimates. The results of this study indicated the need for a concrete plan to improve the source, quantity and method of gathering statistical information. The additional \$750,000 provided in this bill is for the first step toward this end. The Department should make a start on such a program and should implement such start so as to meet the need within 3 or 4 years. The Committee has taken this action since accurate and reliable crop and livestock estimates are urgently needed in view of the many problems facing agriculture.

Payments to States and possessions.—The full budget estimate of \$1,195,000 is recommended for the coming fiscal year. This is the same amount as appropriated for fiscal year 1960. Payments under this appropriation are made on a matched fund basis to State and territorial marketing agencies for programs designed to get into practical use improved methods and practices in the marketing of farm products.

The Committee's attention has been called to several types of work under this program which appear to be of questionable value. The Department is requested to carefully review all projects under this activity in cooperation with the various States involved to make certain that the funds provided for fiscal year 1961 are used only for the most productive type of marketing work.

School lunch program.—The Committee recommends an appropriation of \$110,000,000 for fiscal year 1961. This is the full budget estimate and is the same amount as appropriated for 1960. In addition, the Committee recommends the transfer of \$45,000,000 from

section 32 funds to be used to purchase meats and other foods needed to provide balanced school lunches. This will provide a minimum of \$155,000,000 for this program for 1961, which should also be supplemented by other transfers of surplus foods from Sections 32 and 416.

This program provided noonday meals to over 30 per cent of the nation's 39,480,000 school children in 1959. The program served an average of over 10.7 million children during the 1959 school year, with a peak participation of over 12 million in one month.

Total funds spent for school lunches and the special milk program during the current fiscal year, including Federal, State and local contributions, and commodities furnished from Federal sources, are estimated at \$1 077 billion. This represents a sizeable market for agricultural products and is an important contribution to the health and welfare of the nation's school children.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service develops plans and policies related to the administration of the foreign affairs and interests of United States agriculture. It gathers, analyzes and disseminates to American agriculture basic information on foreign marketing of United States agricultural products. It coordinates and directs a worldwide agricultural attache service with particular emphasis on the development of markets for American products and on trade reporting from foreign areas designed to aid American farmers and exporters.

Salaries and expenses.—The budget estimate provides a total of \$7,176,300 for this activity during the coming fiscal year. Of this amount, \$4,637,300 is requested as a direct appropriation and \$2,539,000 is requested as a transfer from Section 32 funds.

The Committee recommends funds for fiscal year 1961 of \$6,940,000, an increase of \$928,700 over 1960 funds and a decrease of \$190,300 in the budget estimate. Of this amount, \$4,447,000 is provided by direct appropriation and \$2,493,000 is provided by transfer from Section 32. The increase includes an additional \$800,000 to cover by direct appropriation for the first time certain attache expenses paid in prior years from foreign currency allocations; \$110,000 for new attache posts in several Eastern European and North African countries; and \$18,700 for employee health benefits.

Foreign currency program.—This appropriation, which appears in the 1961 bill for the first time, provides funds for the purchase of foreign currencies for purposes of market development under section 104(a) of Public Law 480 and participation in agricultural and horticultural exhibitions under section 104(in) of that Act. Heretofore funds have been used for these purposes from Budget Bureau allocations rather than annual Congressional appropriations. ▴

An appropriation of \$14,621,000 is recommended for fiscal year 1961, an increase of \$8,777,622 over funds available for 1960. As explained in connection with a similar item under the Agricultural Research Service, the Committee feels that the use of these foreign currencies for the expansion of foreign markets for U.S. agricultural commodities, as intended by Congress when Public Law 480 was adopted, is of primary importance.

These appropriations are intended to give effect to the legislative policy established by the Congress in section 104(a) of the Agricultural Trade Development and Assistance Act, which directs (1) that there be set aside for market development purposes from sales proceeds and loan repayments an amount not less than the equivalent of 5 per centum of the total sales made under Title I after September 29, 1959; and (2) that special effort be made in entering into sale and loan agreements to provide for sufficient convertibility to obtain the currencies needed for use in countries which offer a reasonable potential of becoming dollar markets for U.S. agricultural commodities.

The countries which offer the best market possibilities are frequently those where sales are made for dollars rather than for foreign currencies under Public Law 480. Therefore, foreign currencies are not always available in those countries where most needed. The funds appropriated by this paragraph are not restricted to the purchase of currencies in those countries which have excess currencies or which may be classified by the Bureau of the Budget as excess to other uses. Such funds may be used to purchase the currencies of the countries where market potentials exist or to purchase currencies which are convertible into the currencies of such countries.

In order to make certain that foreign currencies are available in those countries with market potentials and where market development work is most likely to be effective, the Committee has included language in the bill to set aside currencies for this purpose as provided by the amendment to section 104(a) of Public Law 480 adopted last year.

It has come to the attention of the Committee that there is discrimination against United States pork in some foreign markets because of the use of live virus to combat hog cholera in this country. It is understood that the use of sterile virus is just as successful and will not penalize U.S. pork in foreign markets. The Department is directed to investigate and report to the Committee next year on steps which should be taken to meet this problem.

COMMODITY EXCHANGE AUTHORITY

The objectives of this Agency are to prevent commodity price manipulations and market corners; prevent dissemination of false and misleading crop and market information; protect hedgers and other users of the commodity futures markets; insure the benefits of membership privileges on contract markets to cooperative associations; insure trust-fund treatment of margin moneys and equities of hedgers and other traders; and provide information to the public regarding trading operations and contract markets.

The bill carries an appropriation of \$930,000 for fiscal year 1961. This is a reduction of \$11,325 in the budget estimate. The increase of \$20,500 includes \$14,000 to expand investigations of abuses and unlawful market practices, and \$6,500 for employee health benefit costs.

Recent investigations of trading on three different commodity exchanges have revealed rather widespread trade practice violations on each of them. The increase proposed will permit more frequent investigations of these markets and more effective enforcement of the Commodity Exchange Act.

COMMODITY STABILIZATION SERVICE

The Commodity Stabilization Service has responsibility for the operation of the Commodity Credit Corporation, the acreage allotment and marketing quota program, the Sugar Act, the International Wheat Agreement, the ASC State and county offices, and various related activities. Also the conservation reserve program of the Soil Bank is now administered by this agency.

Acreage allotments and marketing quotas.—The full budget estimate of \$40,135,000 is provided for 1961. This is a decrease of \$400,000 below funds provided for fiscal year 1960, including \$1,400,000 appropriated in the Second Supplemental Appropriation Act, 1960.

In addition to other activities of this program, the funds allowed will enable the Department to check up to 75 percent of the upland cotton crop during fiscal year 1961 as a basis for issuance of marketing certificates, as required by law.

Sugar Act Program.—The Committee recommends the full budget estimates of \$74,500,000 for 1961, an increase of \$3,000,000 over the 1960 appropriation. This increase for mandatory payments to sugar producers is based on a projected increase of 287,500 tons of sugar in 1960 over 1959 production.

Payments are made to domestic producers of sugar beets and sugar cane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the continental United States for direct consumption.

During the period 1938–1959, collections from excise taxes and imports have exceeded payments by \$404.6 million.

Conservation reserve program.—An appropriation of \$310,000,000 is provided to pay off obligations incurred under 1960 and prior year programs. This is a reduction of \$51,783,000 below the budget estimate and is \$25,000,000 below funds provided for fiscal year 1960.

Justifications presented to the Committee indicate that a balance of \$30,000,000 of prior year appropriations will be available in 1961 for payments to producers. The 1961 appropriation has, therefore, been reduced by this amount. Further, funds included for Commodity Stabilization Service operating expenses at the national, state, and county levels appear to be overstated in the budget and have been reduced accordingly.

In a report released last December, the Comptroller General of the United States stated that 5.4 million acres, or 23 percent of the land retired under the conservation reserve had no history of crop production in prior years. He further stated that, based on a national average rental rate of \$10 per acre, the payments on such land have amounted to \$54 million annually, or about \$270 million over the 5-year average life of the contracts. The Committee is gratified to learn that, beginning with the 1960 contracts, greater restrictions have been placed on eligibility requirements for land placed in the conservation reserve. It is disappointed and shocked by the fact, however, that such large sums of money have been expended without real reduction in production.

In view of the findings of the Comptroller General, the Committee contemplates that the Department will review all contracts now in force and will use every means available to recover in such cases.

Where there have been misrepresentations as to prior production records, or other substantial misrepresentations, contracts should be cancelled and money erroneously paid should be recovered. Where contracts represent a bad financial arrangement for the Government, even though valid, efforts should be made to work out a cancellation arrangement and settlement in order to avoid further expense to the Government. In expectation of some savings from such an effort, the Committee has reduced the 1961 appropriation an additional \$20,000,000.

The legislative authorization for this program expires at the end of the current year. Therefore, no authorization is included in the bill for a 1961 conservation reserve program.

FEDERAL CROP INSURANCE CORPORATION

Crop insurance offered to agricultural producers provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The 1961 bill carries an appropriation for this program of \$6,376,000, which is the same amount as was provided for the current fiscal year.

In addition, authority is provided for the Corporation to spend \$2,630,000 from its premium income for administrative costs in fiscal year 1961. This provides an increase over 1960 of \$300,000. Employee health benefit costs will require \$31,400 of this amount. The balance is required to expand this program to 35,000 new crops and 15 new counties in the coming year.

The program is operating in 865 counties in fiscal year 1960 and is expected to be extended to 880 counties in 1961. The program for 1961 contemplates 425,000 crops insured as compared to 390,000 in 1960. During the eleven years that the program has been operating on a limited experimental basis, premiums have exceeded indemnities by about \$2 million.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order in 1935 to make loans for the extension of central station electric service to unserved rural people. The agency was continued by the Rural Electrification Act of 1936 and became a part of the Department of Agriculture in 1939. In 1949, the Act was amended to authorize REA to make loans for the purpose of furnishing and improving telephone service to rural areas. Loans for construction of electric and telephone facilities are self liquidating within a period of not to exceed thirty-five years, including interest.

Loan authorization.—The 1961 Budget proposed authorizations of \$110,000,000 for electrification loans and \$80,000,000 for telephone loans. No contingency fund was included. The Committee recommends the full budget estimate for both programs. It further recommends a contingency fund of \$50,000,000 for each program.

It is estimated that the Department will begin fiscal year 1961 with \$235 million of electrification applications on hand and will receive further applications during 1961 of \$217 million, making a total of \$452 million for consideration in 1961. It is further estimated that \$110 million of prior year loan funds will be carried over into fiscal

year 1961. This carryover, plus the \$160 million recommended in this bill (including the contingency fund), will provide a total of \$270 million to meet this need in 1961. A total of \$245 million of electrification loans are expected to be made in the current fiscal year.

For the telephone program, it is estimated that applications totalling more than \$135 million will be on hand at the beginning of fiscal year 1961 and that additional applications of \$120 million will be received during the year, making total applications of \$255 million for consideration in 1961. The amount provided in the bill, \$130 million (including the contingency authorization) will meet about half of this need. Telephone loans will total \$105 million in fiscal year 1960. There will be no carryover of 1960 telephone loan funds into 1961 fiscal year.

Collections on electrification loans in 1960 are expected to be \$157 million. This amount should be even larger in fiscal year 1961, and should equal or exceed the \$160 million authorized for loans in the bill for 1961. The repayment record of this program is still amazingly good, despite low farm income. Delinquencies of more than 30 days are only \$400,000—about thirteen-thousandths of 1 percent of loans outstanding.

Salaries and expenses.—The full budget estimate of \$9,632,000 is proposed for administrative expenses for the coming fiscal year. This is the same amount as appropriated for fiscal year 1960.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration performs the following major activities: (1) makes direct and insured farm ownership loans to farm tenants, farm laborers, share croppers and other individuals for the purchase, enlargement or development of family type farms; (2) makes production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; (3) makes direct and insured soil and water conservation loans for the development and utilization of water supplies and for the improvement of farm lands by soil and water conserving facilities and practices; (4) makes emergency loans to farmers and stockmen in designated areas where disaster has caused need for agricultural credit not readily available from other sources; (5) makes farm housing loans for construction, improvement, alteration, repair or replacement of dwellings and other farm buildings; and (6) makes watershed loans to local organizations for installing, repairing or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs of watershed projects. Technical guidance in planning and carrying out sound farm operations is provided farmers on the basis of their individual problems and needs. No loans are made to applicants who can secure adequate credit from other sources at reasonable rates.

Loan authorizations.—For the lending programs of this agency for fiscal year 1961, the bill includes total loan authorizations of \$227,000,000. This authorization includes \$26,900,000 for farm ownership loans, \$197,100,000 for farm operating loans, and \$3,000,000 for soil and water conservation loans. The amounts recommended for ownership and operating loans are the same as the amounts to be loaned in fiscal year 1960. In addition, the bill includes a \$40,000,000 contingency authorization. Not to exceed \$5,000,000 of this may be

used for farm ownership loans and the balance is available for the farm operating loan program.

Evidence before the Committee indicates that credit for agricultural purposes is very tight and that interest rates are increasing rapidly. In many areas of the country, commercial credit is no longer available to farmers. It is reported that some production credit associations of the Farm Credit Administration are charging up to 8 and 9 percent for agricultural credit, and the general average appears to be between 6 and 7 per cent.

These factors have forced many farmers to turn to the Farmers Home Administration which was established to provide credit to farmers who had no other source of credit. It is to meet this increasing need that the Committee has restored the 1960 level for loans and has provided the contingency authorization mentioned above. The Committee feels it essential that this organization be in a position to assist in the adjustment many farmers are having to make due to depressed conditions in Agriculture. The Committee notes that the full \$20 million contingency provided for 1960 has been used and more is needed.

Of the original authorization of \$450 million provided in Public Law 1020, approved August 7, 1956, for farm housing loans, an unused balance of \$297 million is expected to be available in fiscal year 1961. The Department estimates that it will use only \$25 million of this amount in the coming year. The balance of the authorization will be available, however, if needed to meet unanticipated demands for farm housing loans.

It has come to the attention of the Committee that this organization has established two sets of standards for housing loans—one set for counties which are participating in the Rural Development Program, and another set for the other rural counties of the nation. Many of the members of the Committee feel that citizens of other than rural development counties should have the same opportunities and directs the Department to change its practices and procedures to that end.

As has been pointed out in previous years, the Committee feels that the Department has the obligation to handle farm ownership credit on a basis which will protect both the borrower and the national interest. In granting funds for farm ownership loans, the Committee believes it to be highly desirable that the most careful discretion be used to prevent placing an undue debt burden upon borrowers. The continuation of the so-called price-cost squeeze coupled with high land values has affected the ability of some borrowers to repay loans. The needs of borrowers who wish credit to expand their holdings in order to create more economical farming units should be given priority.

Salaries and expenses.—The Committee has approved \$30,500,000 for the administrative costs of this program for fiscal year 1961. This is \$244,750 less than appropriated for the current year and \$967,650 less than the budget estimate. In addition to this appropriation, this organization will also have \$1,000,000 available in 1961 from the Farm Tenant Mortgage Insurance Funds for administrative expenses. Also funds for administrative expenses are available from the Disaster Loan Revolving Fund as needed. In 1960, transfers for administration of disaster loans will exceed \$3,000,000.

While the total loan volume of this agency continues to increase due to reduced farm income, there are still a number of areas where

there are few applications and little or no need for FHA field offices. The administrative funds have been reduced, therefore, with the request that the Administrator re-examine his field operations so as to reduce or eliminate offices wherever possible.

OFFICE OF THE GENERAL COUNSEL

This Office performs all legal work arising from the activities of the Department. The General Counsel represents the Department in many administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities. He serves as general counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. In addition, he reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

The sum of \$3,358,000 is recommended for fiscal year 1961 for this office. The increase of \$195,975 above the 1960 appropriation is provided to meet the employee health benefit costs of this organization and to handle the increased workload related to the legal work of the various marketing and regulatory activities of the Department.

OFFICE OF THE SECRETARY

The Office of the Secretary includes such staff offices of the Department as the immediate Office of the Secretary, the Office of Personnel, the Office of Budget and Finance, the Office of Plant and Operations, the Office of Hearing Examiners, the Office of Administrative Management, and the National Agricultural Advisory Commission.

The Committee recommends the full budget estimate of \$2,899,500 for the coming year. This is an increase of \$18,500 over 1960, all of which is required to meet employee health benefit costs in fiscal year 1961.

OFFICE OF INFORMATION

The Office of Information has general direction and supervision over all publications and other information activities of the Department. The Office publishes the Yearbook of Agriculture, the Annual Report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications. It handles the distribution of farm bulletins and requests for information received in the Department. It also produces motion pictures, chart and graphic materials, and photographic work for the Department and other Government agencies through reimbursement.

The bill for fiscal year 1961 includes a recommended appropriation of \$1,478,000 for the work of this office. This is an increase of \$46,335 above 1960 funds, which includes \$6,335 for employee health benefit costs and \$40,000 to meet the increased demands on this office for information services, including (1) policy clearance and review of processed publications, (2) regionalized radio tape service, and (3) cataloging and distributing agricultural photographs.

Considerable interest has been expressed by members of Congress and others in the 1959 yearbook called "Food", in view of its appeal to city consumers as well as agricultural people. The demand has,

become so large that a reprint appears necessary. It is estimated that it will cost \$180,000 for a full reprint or \$90,000 for half an edition.

The sum of \$213,000 is included in the bill for printing of an agricultural yearbook. The Committee recommends that half an edition of "Food" be reprinted and that the number of copies of the 1961 Yearbook on seeds be reduced to permit publishing and release within the remaining funds available for yearbook purposes.

LIBRARY

The Library procures and preserves all information concerning Agriculture. Under the act establishing the Department of Agriculture, it serves as the National Agricultural Library.

The sum of \$895,000 is proposed for 1961 by the Committee. This is an increase of \$63,100 over 1960, which includes \$6,880 for employee health benefit costs and \$56,220 for (a) processing gift and exchange material and making it available for use, (b) improving bibliographic service, and (c) providing for additional purchases of publications.

In order to meet the research needs of the various divisions and agencies of the Department adequately, some additional staff is required to make books and publications in the library more readily accessible and to assist scientists and researchers in locating material needed. Therefore, the Committee has approved the increases proposed in the budget for 1961.

The Department of Agriculture has in its library valuable technical documents. The Committee desires that steps be taken to preserve the information in space that is suitable and adequate. It is desirable that immediate steps be taken to provide desirable working space for employees. The Department is urged to correct the present situation where light and ventilation, as well as crowded inadequate shelving and space, make it difficult to provide proper cleanliness and efficient operation.

COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation was organized on October 17, 1933. Until 1939, it was managed and operated in close affiliation with the Reconstruction Finance Corporation. In July 1939 it was transferred to the Department of Agriculture by the President's Reorganization Plan Number 1. Under the Commodity Credit Corporation Charter Act of 1948, it was established as an instrumentality of the United States under a permanent Federal charter. The Corporation engages in buying, selling, lending and other activities with respect to agricultural commodities, their products, food, feeds, and fibers, for the purpose of stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

Also the funds and facilities of the Corporation have been utilized to carry out surplus-disposal programs and other special activities outside of its regular functions, for which it is authorized to be reim-

bursed. These special activities include the International Wheat Agreement, emergency famine relief to friendly peoples under Title II of Public Law 480, sales for foreign currencies under Title I of Public Law 480, transfer of bartered materials to supplemental stockpile under the Agricultural Act of 1956, grain for migratory waterfowl under the Act of July 3, 1956, and grading and classing of cotton and tobacco.

Restoration of capital impairment.—The sum of \$1,226,500,000 is recommended for restoration of capital impairment of the Corporation. This includes \$632,000,000 for realized losses through June 30, 1959, and \$594,500,000 for losses incurred through December 31, 1959. This is a reduction of \$98,500,000 in the 1961 budget estimate.

A breakdown of the realized losses for the fiscal year 1959, for which \$575,000,000 was provided in the Second Supplemental Appropriation Act, 1960, and \$632,000,000 is included in this bill, is as follows:

[In millions]	
Price support program:	
Basic commodities.....	\$567
Mandatory non-basic commodities.....	198
Other non-basic commodities.....	46
Strategic materials.....	—6
<hr/>	
Total, price supports.....	805
Commodity export program.....	132
Interest, administrative and other (net).....	195
Special milk program.....	75
<hr/>	
Total, realized losses.....	1, 207

Data furnished by the Department shows that \$620 million (about half) of this realized loss is for price support transactions. The balance represents payments to non-farm people for storage, transportation, administration and interest.

The mounting storage costs of the Corporation have been discussed at length earlier in this report. In that discussion, action is urged to bring such costs in line with the value of commodities stored. On March 16, 1960, the Department proposed a lower rate schedule for storing price-support grain. Estimates placed in the record, page 666, part 3, 1961 hearings, indicate that an estimated \$98,500,000 can be saved if this reduction is put into effect. With the expectation that the Corporation will reduce storage charges as proposed and otherwise improve storage practices during the coming year, the Committee has reduced this item by the estimated saving of \$98,500,000.

The basic charter of the Commodity Credit Corporation contains authority for research on commodities with which it deals. One of the purposes of such research is to minimize or eliminate the losses on commodities in CCC inventories. Information furnished the Committee shows that CCC funds are now being used for research on grain. In 1959, \$146,575 was used for this purpose and it is estimated that \$142,100 will be spent in fiscal year 1960.

The Committee believes that the Corporation should continue this type of research, particularly with reference to the major commodities. It also feels that contracts to meet specific problems are much more sound than an overall increase of permanent employees for this type of work. It believes, however, that such research activities should be handled so as not to incur unusually excessive costs or endanger the market for existing business concerns for any industrial products involved.

The recent proposal to sell 30 million bushels of corn for experimentation with processes for making alcohol from grain on a commercial basis is a case in point. The cost to CCC of this project may reach \$20 million, which appears excessive in view of the doubtful value of the project. Studies of the Department have demonstrated conclusively that corn would have to sell for around 26½ cents a bushel to compete as a source of industrial alcohol. Therefore, since it is unlikely that this approach can ever produce results, it seems inadvisable to disrupt the markets of those presently in the business of producing alcohol, in order to conduct further research on this type of project.

Dramatic progress has been made toward mechanizing the cotton industry since World War II. But advancing techniques have also brought with them serious problems. Mechanically harvested cotton contains more "trash" than carefully handpicked cotton. More intensive gin-cleaning treatment has become necessary for removal of the extra "trash". These have had a damaging effect on cotton quality. Further, modern machinery at spinning mills has created a need for improved quality of cotton.

All of these developments have made present grades and standards for cotton inadequate. As a result, an acute need has developed for improved cotton quality and better standards for grading raw cotton as it moves from the producer to the processor. The Commodity Credit Corporation would benefit substantially from such improved standards. The Committee recommends, therefore, that basic fiber research, instrument development, and studies of weaving and finishing facilities be undertaken during the coming fiscal year on a contract basis from CCC funds available for such research.

A problem concerning subsidies paid on flour exports has also come to the attention of the Committee. According to testimony received, the practices now being followed by the Department are distorting the price and supply of low-grade flour and causing the importation of wheat gluten. Also, they are resulting in little or no increase of exports of high-grade flour, for which purpose such subsidies were established. It is requested that the Department study this matter and report to the Committee by July 1, 1960.

Reimbursement for special activities.—Appropriations totaling \$1,-443,634,000 are recommended to reimburse CCC for the cost of these various special programs through June 30, 1960. The amount recommended is an increase of \$175,536,500 over the appropriation for this purpose for fiscal year 1960. A further breakdown of costs for fiscal years 1959 and 1960 and funds recommended for 1961 is as follows:

Project	1959 (1958 costs)	1960 (1959 costs)	1961 (1960 estimated costs)
International Wheat Agreement.....	\$80,800,000	\$47,404,779	\$32,572,000
Emergency famine relief to friendly peoples.....	119,270,000	96,601,678	107,094,000
Sales of surplus agricultural commodities for foreign currencies.....	1,033,515,000	968,016,000	881,000,000
Grain for migratory waterfowl feed.....	18,506	17,363	18,000
Transfer of bartered materials to supplemental stockpile.	82,250,335	129,000,000	422,950,000
Advances to Agricultural Research Service for animal disease eradication activities.....	19,390,100	1,036,192	-----
Advances to Agricultural Marketing Service for classing cotton and grading tobacco.....	1,510,870	608,926	-----
Unobligated balance.....	-----	25,412,562	-----
Total appropriation or estimate.....	1,336,754,811	1,268,097,500	1,443,634,000

As has been pointed out previously, these activities are carried on outside of the regular functions of the Corporation. Its funds and facilities are used merely as a convenient means of financing these programs. They are not related in any way to the price support program of the Corporation.

Administrative expenses.—The bill for 1961 includes an authorization of \$44,726,000 for administrative expenses of the Corporation during the coming fiscal year. This is an increase of \$2,326,000 over the 1960 limitation and is \$3,702,000 less than the budget estimates.

The sum proposed includes an additional \$326,000 for employee health benefit costs and \$2,000,000 to provide a contingency reserve to enable the Corporation to meet unforseeable increases in workload during the next year.

The heavy workload volume of the new cotton program which was begun in 1960 is expected to continue in 1961. Acquisitions of grain in 1961 are estimated to be heavier than in 1960 due to a 384 million bushel increase in takeovers from the 1959 corn crop; wheat loans, acquisitions and disposals in 1961 are also expected to exceed those in 1960.

Since price support is mandatory for many commodities, and the volume of loans and purchases cannot be controlled, the provision of a contingency reserve as mentioned above appears necessary.

FARM CREDIT ADMINISTRATION

The Farm Credit Administration provides supervision, examination, facilities and services to the coordinated system of farm credit banks and corporations which make loans to farmers and their cooperatives. It was originally created in 1933 and was transferred to the Department of Agriculture in 1939. It was reestablished as an independent agency by the Farm Credit Act of 1953.

The bill includes an administrative expense limitation of \$2,480,000 for the Farm Credit Administration for fiscal year 1961, which is the amount included in the budget estimates. The increase of \$170,000 over the 1960 limitation is required to cover the full year cost of the transfer of 37 employees from the Federal Land Bank payroll to the Farm Credit Administration payroll authorized by the Farm Credit Act of 1959. These are employees of the Farm Credit Administration who have been paid by the Federal land banks as a matter of convenience. No increase in cost or number of employees is involved.

The bill also includes language which authorizes expenditures necessary in the liquidation of the Federal Farm Mortgage Corporation and the sale of its mineral reservations. All Government capital has been repaid.

GENERAL PROVISIONS

The general provisions contained in the accompanying bill for fiscal year 1961 are essentially the same as those included in previous appropriation bills, with the exception of section 408 which is new.

Section 401 authorizes the purchase of 337 passenger motor vehicles in fiscal year 1961 as compared to 425 authorized for 1960. This will permit the replacement of 332 worn out vehicles and will finance the purchase of five new cars required by the Agricultural Research Service at new field research stations.

Section 408 includes language discussed earlier in this report which requires that officers and directors of the Commodity Credit Corporation be paid from the funds of the Corporation.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 3, in connection with the Agricultural Research Service:

Provided further, That the Secretary of Agriculture may sell the Entomology Research Laboratory at Orlando, Florida, in such manner and upon such terms and conditions as he deems advantageous and the proceeds of such sale shall remain available until expended for the establishment of an entomology research laboratory: Provided further, That in the establishment of such laboratory the Secretary may acquire land therefor by donation or exchange;

On page 5, in connection with the Special Foreign Currency Program:

Provided, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Agricultural Research Service for the foregoing purposes of section 104(a) is appropriated as of that date and shall be merged with this appropriation:

On page 7, in connection with the Extension Service:

Provided further, That all of the additional funds provided herein shall be used to meet expenses at the county level.

On page 9, in connection with the Soil Conservation Service:

Provided further, That not to exceed \$600,000 of the amount appropriated under this head for fiscal year 1960 may be used to employ conservation aides and other nonprofessional personnel on a part-time or contract basis, and the amount so used may be transferred to and merged with this appropriation.

On page 17, in connection with the Agricultural Marketing Service:

Provided, That the Department is hereby authorized and directed to make such inspection of poultry products processing plants as it deems essential to the protection of public health and to permit the use of appropriate inspection labels where it determines from such inspection that such plants operate in a manner which protects the public health, and not less than \$500,000 shall be available for this purpose.

On page 19, in connection with the Special Foreign Currency Program:

Provided, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Foreign Agricultural Service for the foregoing purposes of such section 104 (a) and (m) is appropriated as of that date and shall be merged with this appropriation:

On page 20, in connection with the Conservation Reserve Program:

with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs:

On page 26, in connection with the Office of Information:

and for reprinting the 1959 yearbook "Food" for the use of the Senate and House of Representatives, respectively, of one hundred and sixteen thousand five hundred and twenty-five copies (for which not to exceed \$90,000 shall be available):

On page 29, in connection with reimbursement to Commodity Credit Corporation for costs of special activities:

Provided, That the unexpended balances of funds heretofore provided for the various purposes under this head may remain available until expended for the purposes for which appropriated and may be merged with the funds provided in this paragraph.

On page 30, in connection with the limitation on administrative expenses of the Commodity Credit Corporation:

Provided further, That no part of these funds may be used to formulate or administer a program which provides for reclassing of Commodity Credit Corporation cotton after time of sale to private individuals or organizations:

On page 34, in connection with the General Provisions:

SEC. 408. No part of the funds appropriated by this Act shall be used to pay the compensation of any employee or officer of the Department, except the Secretary of Agriculture, who, in addition to other regularly assigned responsibilities, serves as a member of the board of directors or as an officer of the Commodity Credit Corporation after February 1, 1961.

MINORITY VIEWS OF H. CARL ANDERSEN

The proposed changes involved in the renegotiation of the Uniform Grain Storage Agreement have raised several serious questions of concern.

Inquiries made by Members of the Subcommittee in the Upper Midwest indicated very serious effects of the proposed rates under the new Agreement upon producers, country elevators, and the grain trade in general. Although reports regarding excessive profits in connection with the storage of CCC commodities were confirmed, it is believed that these are relatively few in actuality. Furthermore, responsible spokesmen for the storage industry indicated that it would be possible for a few individuals or companies to continue to make excessive profits even at the proposed reduced rates.

However, the impact of reduced rates upon producers who have resealed commodities in on-farm storage, country elevators, and the responsible grain trade in general makes highly questionable in my opinion the advisability of effectuating the new terms and conditions as proposed by the Department.

In view of the many questions as yet unanswered and the vigorous objections raised by responsible producers and elevator men who have not been shown to receive excess profits and also in recognition of the fact that Congress is currently considering payment-in-kind and related legislation to liquidate substantially the CCC stocks now in storage, I recommend that the Department delay for one year the effectuation of any new Uniform Grain Storage Agreement in order to permit further study by all parties affected. I also recommend that the Department explore alternative possibilities such as legislation to authorize the renegotiation and recapture of excessive profits and steps which might be taken to protect producers and country elevators from the serious economic effects which would surely follow the adoption of the proposed new Agreement.

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1960 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1961**

REGULAR ACTIVITIES (TITLE I)

Agency and item	Appropriations, 1960	Budget estimates, 1961	Recommended in bill for 1961	Bill compared with—	
				1960 appropriations	1961 estimates
Agricultural Research Service:					
Salaries and expenses:					
Research-----	\$67, 721, 590	\$68, 981, 700	\$67, 934, 000	+\$212, 410	-\$1, 047, 700
Plant and animal disease and pest control-----	49, 800, 600	48, 775, 600	52, 011, 000	+2, 210, 400	+3, 235, 400
Meat inspection-----	21, 324, 900	21, 562, 700	21, 562, 000	+237, 100	—700
Total, salaries and expenses-----	138, 847, 090	139, 320, 000	141, 507, 000	+2, 659, 910	+2, 187, 000
Salaries and expenses (special foreign currency program)-----	12, 056, 500	15, 131, 500	15, 131, 000	+3, 074, 500	—500
Construction of facilities-----	-----	900, 000	-----	-----	—900, 000
State experiment stations:					
Payments to States and Puerto Rico-----	31, 553, 708	32, 553, 708	31, 553, 000	—708	—1, 000, 708
Penalty mail-----	250, 000	250, 000	250, 000	-----	-----
Total, State experiment stations-----	31, 803, 708	32, 803, 708	31, 803, 000	—708	—1, 000, 708
Total, Agricultural Research Service-----	182, 707, 298	188, 155, 208	188, 441, 000	+5, 733, 702	+285, 792

Extension Service:

Payments to States and Puerto Rico.....	53, 715, 000	56, 580, 000	55, 715, 000	+ 2, 000, 000	- 865, 000
Retirement costs for extension agents.....	5, 674, 375	5, 961, 000	5, 875, 000	+ 200, 625	- 86, 000
Penalty mail.....	2, 491, 307	2, 491, 307	2, 490, 000	- 1, 307	- 1, 307
Federal Extension Service.....	2, 242, 540	2, 392, 660	2, 255, 000	+ 12, 460	- 137, 660
Total, Extension Service.....	64, 123, 222	67, 424, 967	66, 335, 000	+ 2, 211, 778	- 1, 089, 967
Farmer Cooperative Service.....	615, 800	644, 650	620, 000	+ 4, 200	- 24, 650
Soil Conservation Service:					
Conservation operations.....	82, 322, 000	82, 882, 000	83, 132, 000	+ 810, 000	+ 250, 000
Watershed protection.....	22, 750, 000	27, 750, 000	32, 000, 000	+ 9, 250, 000	+ 4, 250, 000
Flood prevention.....	18, 000, 000	15, 000, 000	18, 000, 000	-----	+ 3, 000, 000
Water conservation and utilization projects.....	75, 000	-----	-----	- 75, 000	-----
Great Plains conservation program.....	10, 000, 000	10, 000, 000	10, 000, 000	-----	-----
Total, Soil Conservation Service.....	133, 147, 000	135, 632, 000	143, 132, 000	+ 9, 985, 000	+ 7, 500, 000
Agricultural Conservation Program Service: Agri- cultural conservation program.....	241, 500, 000	242, 600, 000	242, 000, 000	+ 500, 000	- 600, 000

Comparative Statement of Appropriations for 1960 and Estimates and Amounts Recommended in Bill for 1961—Continued

REGULAR ACTIVITIES (TITLE I)—Continued

Agency and item	Appropriations, 1960	Budget estimates, 1961	Recommended in bill for 1961	Bill compared with—	
				1960 appropriations	1961 estimates
Agricultural Marketing Service:					
Marketing Research and Service:					
Marketing research and agricultural estimates	\$15, 412, 500	\$16, 571, 500	\$16, 315, 000	+ \$902, 500	— \$256, 500
Marketing services	26, 054, 600	26, 570, 400	26, 838, 000	+ 783, 400	+ 267, 600
Total, Marketing Research and Service	41, 467, 100	43, 141, 900	43, 153, 000	+ 1, 685, 900	+ 11, 100
Payments to States and possessions	1, 195, 000	1, 195, 000	1, 195, 000	-----	-----
School lunch program	1 110, 000, 000	1 110, 000, 000	1 110, 000, 000	-----	-----
Total, Agricultural Marketing Service	152, 662, 100	154, 336, 900	154, 348, 000	+ 1, 685, 900	+ 11, 100
Foreign Agricultural Service:					
Salaries and expenses	2 3, 518, 300	2 4, 637, 300	2 4, 447, 000	+ 928, 700	— 190, 300
Salaries and expenses (special foreign currency program)	5, 843, 378	14, 621, 800	14, 621, 000	+ 8, 777, 622	— 800
Total, Foreign Agricultural Service	9, 361, 678	19, 259, 100	19, 068, 000	+ 9, 706, 322	— 191, 100
Commodity Exchange Authority	909, 500	941, 325	930, 000	+ 20, 500	— 11, 325

Commodity Stabilization Service:

Acreage allotments and marketing quotas-----	3 40, 535, 000	40, 135, 000	40, 135, 000	-400, 000	-----
Sugar Act program-----	71, 500, 000	74, 500, 000	74, 500, 000	+3, 000, 000	-----
Conservation reserve program-----	335, 000, 000	361, 783, 000	310, 000, 000	-25, 000, 000	-51, 783, 000
Total, Commodity Stabilization Service-----	447, 035, 000	476, 418, 000	424, 635, 000	-22, 400, 000	-51, 783, 000
Federal Crop Insurance Corporation: Operating and administrative expenses-----	6, 376, 700	6, 376, 700	6, 376, 000	-700	-700
Rural Electrification Administration: Salaries and expenses-----	9, 632, 000	9, 632, 000	9, 632, 000	-----	-----
Farmers Home Administration: Salaries and expenses-----	30, 744, 750	31, 467, 650	30, 500, 000	-244, 750	-967, 650
Office of the General Counsel-----	3, 162, 025	3, 358, 845	3, 358, 000	+195, 975	-845
Office of Secretary-----	2, 881, 000	2, 899, 500	2, 899, 500	+18, 500	-----
Office of Information-----	1, 431, 665	1, 478, 685	1, 478, 000	+46, 335	-685
Library-----	831, 900	895, 660	895, 000	+63, 100	-660
Total, regular activities-----	1, 287, 121, 638	1, 341, 521, 190	1, 294, 647, 500	+7, 525, 862	-46, 873, 690

¹ In addition, \$43,657,248 transferred from Section 32 funds in fiscal year 1960, transfer of \$40,000,000 budgeted for fiscal year 1961, and \$45,000,000 recommended in bill for 1961.

² In addition, \$2,493,000 transferred from Section 32 funds in fiscal year 1960, transfer of \$2,539,000 budgeted for fiscal year 1961, and \$2,493,000 recommended in bill for 1961.

³ Includes \$1,400,000 appropriated in Second Supplemental Appropriation Act, 1960.

Comparative Statement of Appropriations for 1960 and Estimates and Amounts Recommended in Bill for 1961—Continued

CORPORATIONS (TITLE II)

Agency and item	Appropriations, 1960	Budget estimates, 1961	Recommended in bill for 1961	Bill compared with—	
				1960 appropriations	1961 estimates
Federal Crop Insurance Corporation: Administrative and operating expenses-----	(\$2, 330, 000)	(\$2, 830, 000)	(\$2, 630, 000)	(+\$300, 000)	(-\$200, 000)
Commodity Credit Corporation:					
Restoration of capital impairment-----	⁴ 2,110,424,413	1, 325, 000, 000	1, 226, 500, 000	-883, 924, 413	-98, 500, 000
Reimbursements for special activities:					
International Wheat Agreement-----	63, 875, 000	49, 042, 000	32, 572, 000	-31, 303, 000	-16, 470, 000
Emergency famine relief-----	104, 508, 000	115, 000, 000	107, 094, 000	+2, 586, 000	-7, 906, 000
Sales for local currencies (Public Law 480)---	968, 016, 000	881, 000, 000	881, 000, 000	-87, 016, 000	-----
Migratory waterfowl feed-----	35, 000	35, 000	18, 000	-17, 000	-17, 000
Bartered materials for stockpile-----	129, 000, 000	422, 950, 000	422, 950, 000	+293, 950, 000	-----
Animal disease eradication-----	1, 056, 500	-----	-----	-1, 056, 500	-----
Grading and classing activities-----	1, 607, 000	715, 000	-----	-1, 607, 000	-715, 000
Total reimbursements for special activities--	1, 268, 097, 500	1, 468, 742, 000	1, 443, 634, 000	+175, 536, 500	-25, 108, 000
Administrative expense limitation-----	⁵ (42, 400, 000)	(48, 428, 000)	(44, 726, 000)	(+2, 326, 000)	(-3, 702, 000)
Total, Corporations-----	3, 378, 521, 913	2, 793, 742, 000	2, 670, 134, 000	-708, 387, 913	-123, 608, 000

RELATED AGENCIES (TITLE III)

Limitation on administrative expenses: Farm Credit Administration-----	4 (\$2, 310, 000)	(\$2, 480, 000)	(\$2, 480, 000)	(+ \$170, 000)	-----
Total, titles I, II, and III-----	4, 665, 643, 551	4, 135, 263, 190	3, 964, 781, 500	- 700, 862, 051	-\$170, 481, 690

4 Includes \$675,000,000 appropriated in Second Supplemental Appropriation Act, 1960.
5 Includes additional \$400,000 authorized in Second Supplemental Appropriation Act, 1960.
6 Includes additional \$185,000 authorized in Second Supplemental Appropriation Act, 1960.

LOAN AUTHORIZATIONS

Agency and item	Authorizations, 1960	Budget estimates, 1961	Recommended in bill for 1961	Bill compared with—	
				1960 authorizations	1961 estimates
Rural Electrification Administration:					
Electrification-----	\$136,000,000	\$110,000,000	\$110,000,000	—\$26,000,000	-----
Telephone-----	¹⁰ 104,000,000	80,000,000	80,000,000	—24,000,000	-----
Total, Rural Electrification Administration-----	240,000,000	190,000,000	⁸ 190,000,000	—50,000,000	-----
Farmers Home Administration:					
Farm ownership-----	26,900,000	20,000,000	26,900,000	-----	+ \$6,900,000
Farm operation (production and subsistence)-----	197,100,000	154,000,000	197,100,000	-----	+ 43,100,000
Soil and water conservation-----	2,000,000	3,000,000	3,000,000	+1,000,000	-----
Total, Farmers Home Administration-----	⁷ 226,000,000	177,000,000	⁹ 227,000,000	+1,000,000	+50,000,000
Total, loan authorizations-----	466,000,000	367,000,000	417,000,000	—49,000,000	+50,000,000

PERMANENT AUTHORIZATIONS

Agency and item	Authorizations, 1960	Budget estimates, 1961	Increase or decrease
Agricultural Research Service: Animal quarantine station, Clifton, N.J.-----	\$30, 000	-----	—\$30, 000
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)-----	251, 446, 365	\$318, 000, 000	+66, 553, 635
Perishable Agricultural Commodities Act fund-----	670, 000	670, 000	-----
Total, Agricultural Marketing Service-----	252, 116, 365	318, 670, 000	+66, 553, 635
Commodity Stabilization Service: National Wool Act-----	50, 050, 313	51, 000, 000	+949, 687
Total, permanent appropriations-----	302, 196, 678	369, 670, 000	+67, 473, 322

- ⁷ Includes \$20,000,000 contingency authorization provided in 1960 Appropriation Act.
⁸ In addition, contingency of \$50,000,000 authorized for each program for 1961.
⁹ In addition, contingency of \$40,000,000 authorized for 1961.
¹⁰ Includes \$25,000,000 contingency authorized in 1960 Appropriation Act.

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May 10, 1960.

5. FOOD. Sen. Yarborough inserted an article by Dr. R. L. Skrabanek, "Food for the Future -- Looking Ahead to A. D. 2010." pp. 9126-7
6. LEGISLATIVE PROGRAM. Sen. Johnson announced that the following bills have been cleared for early consideration: H. R. 11510, the mutual security authorization bill conference report; S. 910, payments in lieu of taxes on Federal property; S. 2168, use of oleomargarine by the Navy; and H. R. 4601, to limit to national security cases prohibition on payment of retirement annuities. He stated that the policy committee would consider S. 2759, the wheat bill, at an early date. He stated that he does not expect any bills from the Agriculture and Forestry Committee to be considered this week, but S. 3044, the multiple use management forest bill, may be considered next week. He expects the next bill to be reported by the Senate Appropriations Committee to be the agricultural appropriation bill, and stated that the Senate Civil Service Committee will await House action on a Federal pay raise bill. pp. 9142-3

HOUSE

17. AGRICULTURAL APPROPRIATION BILL, 1961. The House began and concluded general debate on this bill, H. R. 12117, but final action on the bill was deferred until Wed., May 11. pp. 9145-92
18. FARM PROGRAM. Rep. Broomfield criticized the farm program and the agricultural appropriation bill for 1961, stating the solution to the farm problem is "getting the Federal Government out of the price control and subsidy business." pp. 9208-9
19. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 5098, to provide for the application and disposition of net revenues from the power development on the Grand Valley Federal reclamation project, Colo. (H. Rept. 1594). p. 9210
20. LANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 11706, to authorize an extension of time for final proof of qualifications of certain entrymen under the desert land laws (H. Rept. 1595). p. 9210
21. MINERALS. The Interior and Insular Affairs Committee reported with amendment H. R. 8860, to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands (H. Rept. 1597). p. 9210
22. PERSONNEL. The Judiciary Committee reported without amendment H. R. 4271, to validate the salary overpayments made to certain Federal employees incident to the salary adjustment provisions of the Federal Employees Salary Increase Act of 1955 (H. Rept. 1599). p. 9211
23. LEGISLATIVE PROGRAM. The "Daily Digest" states that on Wed., May 11, the House will consider the conference report on H. R. 11510, the mutual security authorization bill, followed by additional consideration, under 5-minute rule, of the agricultural appropriation bill for 1961. p. D396

ITEMS IN APPENDIX

24. DEPRESSED AREAS. Extension of remarks of Rep. Oliver inserting a statement outlining the importance of the depressed areas bill to Maine. pp. A3970-1
Extension of remarks of Sen. Capehart commending the rural development program and inserting an article on the operation of this program in Indiana. pp. A3982-3

Speech in the House by Rep. Rabaut during debate on the depressed areas bill expressing his support of the bill "as good legislation that answers a crying need in a sensible and realistic fashion." pp. A4010-1

25. NATURAL RESOURCES. Sen. Kerr inserted a statement, "Goal for America -- Suggested Policy Statement, Democratic Midwest Conference Detroit, Mich., March 26, 1960 -- Natural Resources." pp. A3973-5

Extension of remarks of Sen. Wiley commending the National Audubon Society as "one of our great conservation organizations," and inserting an article, "Needed: A 'Coordination Act' for Pesticides." pp. A3980-1

26. FARM PROGRAM. Extension of remarks of Rep. Marshall stating that "any attempt to bring production into balance through acreage control only increases the incentive to boost yields," and inserting an article on this subject. p. A3992

27. CCC; RECORDS. Extension of remarks of Rep. Moss discussing regulations issued by this Department removing the "Administratively Confidential" stamp from the records of CCC, stating that "the new break in the administrative secrecy barrier was not easy to accomplish," and inserting the order putting this policy into effect. p. A3993

28. MILK. Rep. Widnall inserted Phillip Alampi's, secretary of the State of New Jersey, statement opposing the proposed National Milk Sanitation bill. pp. A3993-4

29. FORESTRY. Rep. Brooks, La., inserted a speech by Mr. H. J. Hinman, president, American Forest Products Industries, commending the forest industry in the South and particularly the American Tree Farm System. pp. A3995-6

30. ELECTRIFICATION. Extension of remarks of Rep. Johnson, Wisc., and insertion of an article, congratulating the REA on its 25th anniversary and giving a short history of the cooperative electric movement in Wisc. p. A4000

Extension of remarks of Rep. Short and insertion of an article announcing the completion of the Garrison Dam in North Dakota and questioning when the planned water diversion project for irrigation and municipal and industrial use will be considered by Congress. pp. A4004-5

31. FOOD; NUTRITION. Extension of remarks of Rep. Curtis, Mo., and insertion of an article urging a reversal of the trend of teen-agers to eat "snacks" rather than nutritious meals. The article also complements this Department for its work in the national school lunch program. pp. A4000-1

32. WHEAT; COTTON. Rep. Lane inserted a number of telegrams urging that the wheat recently sold to India be shipped in cotton bags in an attempt to help the cotton textile industry. pp. A4020-1

BILLS INTRODUCED

33. MILK. H. R. 12150, by Rep. Stratton, to provide a program to test the effectiveness of promoting the consumption of fluid milk through advertising and other means, to Agriculture Committee.

H. Res. 523, by Rep. Stratton, to authorize the Agriculture Committee to conduct an investigation and study comparing the operations of Federal milk marketing orders in the New York and New England milksheds; to Rules Committee.

House of Representatives

TUESDAY, MAY 10, 1960

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Joel 2: 13: *Turn unto the Lord, your God, for He is gracious and merciful, slow to anger and of great kindness.*

Eternal God, our Father, we rejoice that Thou art always willing to bestow upon us the priceless blessings of Thy wisdom to live by, Thy light to walk by, and Thy strength to sustain us.

Thou knowst that daily we are greatly disturbed and disquieted for we are being besieged by perplexing national problems and perilous international circumstances.

We penitently acknowledge that we art tempted to allow our minds to be centered merely upon tidings and things that are dark and gloomy, causing our hearts to be overcome by cowardice and cynicism.

In the vast concerns of our beloved country, for which we find ourselves unequal, wilt Thou give us a new perspective and a clearer vision of that blessed day when righteousness and justice shall be triumphant, and freedom and peace shall be the glorious possession of all mankind.

Through Christ Jesus, we offer our prayer. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

RURAL ELECTRIFICATION ADMINISTRATION

(Mr. BASS of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BASS of Tennessee. Mr. Speaker, tomorrow is the 25th anniversary of the Rural Electrification Administration. This great institution is not only one of good and of progress for all of the country, but it is also a monument to the life and work of our beloved Speaker, Hon. SAM RAYBURN.

I have a special order for tomorrow and I hope, if time permits, to be able to discuss some of the phases in the history of this great program, and at the same time pay tribute to the work of our Speaker in this field. If there are others who care to join me tomorrow I have 1 hour reserved for that purpose.

COMMITTEE MEETING DURING SESSION OF HOUSE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Legislative Oversight of the

Committee on Interstate and Foreign Commerce may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PROVIDING PROGRAM OF ASSISTANCE IN THE CONSTRUCTION OF FISHING VESSELS

The SPEAKER laid before the House the following request from the Senate, which was read:

IN THE SENATE OF THE UNITED STATES,

May 5, 1960.

Ordered, That the House of Representatives be requested to return to the Senate the bill (H.R. 5421) entitled "An act to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes."

Attest:

FELTON M. JOHNSTON,

Secretary.

The SPEAKER. Without objection, the request of the Senate will be agreed to.

There was no objection.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1961

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 4 hours, the time to be equally divided and controlled by the gentleman from Minnesota [Mr. ANDERSEN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALL OF THE HOUSE

Mr. BUDGE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 85]

Alexander	Farbstein	Moeller
Anderson, Mont.	Flynn	Montoya
Bailey	Forand	Moore
Baker	Garmatz	Morris, N. Mex.
Barden	Gavin	Pillion
Barrett	Gilbert	Pirnie
Blatnik	Goodell	Porter
Blitch	Green, Oreg.	Powell
Boggs	Hechler	Reece, Tenn.
Bolton	Henderson	Riehlman
Bonner	Hess	Rivers, Alaska
Boykin	Hoffman, Ill.	Roberts
Brewster	Hoit	Rooney
Brown, Mo.	Hosmer	Scott
Buckley	Inouye	Shelley
Burleson	Jackson	Sheppard
Cahill	Jones, Ala.	Simpson
Canfield	Judd	Spence
Celler	Karsten	Staggers
Chamberlain	Kasem	Taylor
Chelf	Kearns	Teller
Coad	Kee	Thompson, N.J.
Collier	Kilburn	Vinson
Davis, Tenn.	Kiuczynski	Wallhauser
Dawson	Kyl	Walter
Devine	McGinley	Weaver
Dorn, N.Y.	McMillan	Widnall
Dowdy	Macdonald	Willis
Durham	May	Winstead
Elliott, Ala.	Metcalf	Wolf
Fallon	Miller, N.Y.	Zelenko
	Mitchell	

The SPEAKER. On this rollcall 336 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF ROLL CALL

Mrs. PFOST. Mr. Speaker, on rollcall No. 65 I am reported as absent. I was present and answered to my name. I ask unanimous consent that the permanent Record be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

SUBCOMMITTEE ON LABOR STANDARDS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Labor Standards of the Committee on Education and Labor be allowed to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SUBCOMMITTEE ON THE LIBRARY

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Library of the Com-

mittee on House Administration may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1961

The SPEAKER. The question is on the motion of the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Mississippi [Mr. WHITTEN] will be recognized for 2 hours and the gentleman from Minnesota [Mr. ANDERSEN] will be recognized for 2 hours.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, on May 1 the Soviet Government captured, 1,300 miles inside the boundaries of the Russian Empire, an American plane, operated by an American pilot, under the direction and control of the Central Intelligence Agency, and is now holding both the plane and the pilot.

The plane was on an espionage mission authorized and supported by money provided under an appropriation recommended by the House Committee on Appropriations and passed by the Congress.

Although the Members of the House have not generally been informed on the subject, the mission was one of a series and part of an established program with which the subcommittee in charge of the appropriation was familiar, and of which it had been fully apprised during this and previous sessions.

The appropriation and the activity had been approved and recommended by the Bureau of the Budget and, like all military expenditures and operations, was under the aegis of the Commander in Chief of the Armed Forces of the United States, for whom all members of the subcommittee have the highest regard and in whose military capacity they have the utmost confidence.

The question immediately arises as to the authority of the subcommittee to recommend an appropriation for such purposes, and especially the failure of the subcommittee to divulge to the House and the country the justifications warranting the expenditure and all details connected with the item at the time it was under consideration on the floor.

The answer of the subcommittee is—absolute and unavoidable military necessity, fundamental national defense.

During the Second World War the United States succeeded in breaking the Japanese naval code. Through this incredible good fortune the U.S. commanders were able to read every order transmitted from Tokyo and all inter-fleet communications. This advance and intimate information had much to do in preparing the way and increasing the effectiveness of our great victory in the battle of Midway which broke the power of Japan in the Pacific. But some incautious member of a congressional committee or its staff leaked the information to a reporter, and 30 minutes after the next edition of his newspaper hit the street Japan changed her naval code and all further advantage was lost.

This appropriation, and its purpose, is justified by honored and established precedent. This subcommittee, including the same personnel with the exception of two members who have since died, was the same committee which for something like 3 years provided in the annual appropriation bills a sum which finally totaled more than \$2 billion for the original atomic bomb. Session after session the money was provided, and the subcommittee visited Oak Ridge where the work was in progress without any Member of the House with the exception of the Speaker of the House being aware of this tremendous project or the expenditure of the money. According to the testimony of all military authorities that bomb ended the war and saved the lives of not less than half a million men who would have had to be sacrificed in the conquest of Japan. No one has ever said that the subcommittee was not justified in expending an amount that eventually aggregated more than the assessed valuation of some of the States of the Union for that purpose.

Espionage has been throughout recorded history an integral part of warfare. Before occupying the Promised Land Moses "by the commandment of the Lord" sent out from the wilderness of Paran 10 men under the direction of Joshua to spy out the land.

And no nation in the history of the world has practiced espionage more assiduously than Russia. The United States and every other allied nation today literally swarms with them. Within the last few weeks we sent to the Federal penitentiary at Atlanta a Russian spy convicted in Federal court who was regularly transmitting information directly to Moscow every night. Their spies stole from us the secret of the atomic bomb. Every Russian embassy and consulate has today time and again the number required for routine diplomatic and consular service. When we were at Oak Ridge we were told there were so many Russian spies there that only by a policy of strictest compartmentalism were they able to maintain the integrity of their work.

The need for espionage in this instance was exceptional and compelling. At the close of the world war in which we had saved Russia from complete sub-

jugation we were surprised to learn that while all other nations were disarming and returning to a peacetime status as rapidly as possible, Russia was feverishly driving her factories and continuing to increase her armament at top speed. Simultaneously they announced that communism and free enterprise could not live in the same world.

Every effort has been made by American administrations to reestablish conditions under which we could discontinue excessive expenditures for armament and divert these vast sums to business and humanitarian purposes. But each year Russia has become more arrogant and threatening and more demanding.

Under our American ideals and system of government, a declaration of war against any nation, however provocative, is unthinkable. Our military authorities have no choice but to give any enemy the advantage of first attack and then depend on massive retaliation for defense. The Communists have taken every advantage of this situation.

In modern warfare surprise is a tremendous advantage. Less than a week before the Communist attack on Korea a congressional committee from this House returning from Seoul reported that permanent peace had been established and the land was returning to prosperity. There was no shadow of war; not the slightest cloud appeared on the horizon. The sudden rush of a vast army of well armed, well trained, and well munitioned Communists across the border made it necessary for us to throw precipitately into battle raw and untrained troops who were wholly unable to protect themselves or hold their positions. And there followed one of the most disastrous periods in the history of American arms.

During the hearings on this appropriation for the last 2 or 3 years, I have each year asked the CIA representative before the committee, "How could the enemy mobilize an army of such size and accumulate hundreds of tons of supplies and munitions and the transportation facilities necessary for its movement without our learning that such an attack was in prospect?"

And each year we have admonished the Authority, the CIA, that it must meet future situations of this character with effective measures. We told them, "This must not happen again, and it is up to you to see that it does not happen again"; that the American forces must be apprised of any future preparation for attack in time to meet it. And the plan they were following when this plane was taken, is their answer to that demand.

And I want to take advantage of the opportunity to compliment and thank Director Allen W. Dulles and his remarkable corps for the admirable way in which they have met the situation through these later years.

They are entitled to the highest commendation by the Department, the Congress, and the American people.

We cannot permit another Korea. We cannot take the risk of carnage and na-

tional devastation which might involve every American city. We cannot take the risk of the consequences which would follow a similar attack from across the Russian borders. And since the Russians refuse to cooperate in our efforts to establish permanent peace—refuse even to agree to ethical standards of warfare—we have no choice but to protect our Nation and our people through the age-old methods of defense so long in use by the Communists themselves, lest we wake tomorrow, or do not wake tomorrow, as a result of our failure to know in time what they are planning against us.

The world has been appalled by the vicious vindictiveness of Khrushchev's denunciation. He yesterday characterized the policy of the United States as stupid and blundering. His fury is incited by the fact that it is neither stupid nor blundering. On the contrary it has been infinitely successful and effective.

When we have answered his threats—and he has been very free with them on all occasions, even when he was here as our guest in our own country. When we have answered his threats by basing our Strategic Air Command in a position to defend ourselves and our allies, he has boasted that he could stop them at the border. That is why we are now so earnestly developing our submarines so that if he ever is able to neutralize our Strategic Air Command then we will have to take its place a fleet of nuclear-driven missile-firing submarines that will be just as effective a halter upon him as SAC is today.

His discovery that since 1956, for 4 years, CIA has been sending planes across his border—and as far as 1,300 miles into the interior without his knowing it—is the occasion of this outburst.

It completely disproves his vaunted ability to stop SAC at the border.

The only reason he was able to apprehend even this plane or its pilot was that it developed some unforeseen and unavoidable mechanical or physiological defect, the first in 4 years. He was unable to hit it or to overtake it at its cruising height of 70,000 feet. So in order to leave the impression that he captured this plane he distributed a picture of a pile of rubbish which those who know the plane recognized as absolutely spurious. The plane and the pilot were evidently taken comparatively uninjured. That completely destroys his claims of invulnerability against American attack. So he as usual resorts to subterfuge.

And now the most gratifying feature of the entire incident.

The world has always recognized the remarkable success of our form of government. It has been the wonder and admiration of mankind. But they have said that it was at a great disadvantage in a war with an authoritarian dictatorship.

We have here demonstrated conclusively that free men confronted by the most ruthless and criminal despotism can under the Constitution of the United States protect this Nation and preserve world civilization.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield such time as he may

require to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, that was the most magnificent and courageous speech I have heard on this floor in many a day. It is true that we have approached these summit conferences with the idea that each side must be given the right to inspect and examine what the situation might be on the other side. That is the only way we can have peace as the result of these summit conferences. We must have that right. When the leader of Russia refused us that right, the only method we had and the only chance we had was to get out and do just what was being done by this pilot. It was nothing compared to the spy work that was carried on by the Russians—nothing at all. Today, the leader of Russia knows that he could not overcome the United States with the airplanes and missiles that we have available. But we could not know what the proper targets were or know where they were or where they would be unless we had some means of checking up on them—and he left us no course to pursue except the course that we did pursue. That sort of approach was the only approach that we could make. I have served, as has the gentleman from Missouri, on the subcommittee that went into the question of the development of the atomic bomb and went into the questions of supplying the CIA and the other branches of our Government with funds necessary to take care of and protect the United States and its people. For my own part, just so long as I am here, I intend to support that position. We brought in from the Committee on Appropriations, under the leadership of the gentleman from Texas and the gentleman from Michigan [Mr. Ford] a military appropriation bill designed to maintain the advantage that we have today over the Soviet. Let us go on and maintain it.

(Mr. WHITTEN asked and was granted permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I realize that in presenting the agriculture appropriation bill it is somewhat of an anticlimax in view of the wonderful speeches that have been made today. It probably is appropriate that this presentation be preceded by those statements, because many of our problems in the field of agriculture are tied directly into the defense effort of this country.

Back in World War II, and subsequent thereto, the American farmers were asked to produce world without end. They did that magnificently. When the war was over they were not given any refunds or tax reductions. Some \$15 or \$18 billion were given to business after World War II. No such thing was given to the American farmers.

We bring you a bill today where we are embarrassed by its size. We are embarrassed because under the present situation it is our subcommittee that has to pick up the check "after the fact," where we have little if anything to do with the amounts that are involved. In this bill that was submitted to us we

were requested to appropriate the sum of \$4,135,263,190. Our subcommittee was able to reduce that by \$170 million. However, may I say, Mr. Chairman, that in the budget request regular activities were something like one-third of the total. Another one-third was for restoration of the capital impairment of the Commodity Credit Corporation; another more than one-third was reimbursement for special activities, the job of handling which has been assigned to the Commodity Credit Corporation.

I have before me the U.S. News & World Report for last week, which points out that the United States has entered into an agreement with India whereby we will, within the next 4 years, give to India something like \$1,200 million worth of rice and grain. We have seen in the papers the fine statements made as to how wonderful this is on the part of the United States. I am not taking issue with that. But whatever that is, I do not know of anybody who feels it would lead to any agricultural markets in India. However fine it is from a good Samaritan point of view, however good it is from the standpoint of our international policy, our subcommittee will have to sign checks for it in excess of \$300 million, charged up to the American farmers for each of the next 4 years. That is an illustration of what we have before us.

Yes, Mr. Chairman, our subcommittee has a tough job in trying to bring about reductions in the cost, because so many of them are beyond our reach. We on our subcommittees have tried to bring in a bill on which we could all agree. I doubt there is an item in this bill that suite all of us on this subcommittee. But the bill as produced represents the composite views of the whole subcommittee, I believe. I have gone over it very closely, trying to make it as sound as I was capable of doing.

I want to pay tribute to the members of my subcommittee who have worked so hard on this bill. My friends and colleagues on the majority side, Congressmen FRED MARSHALL, BILL NATCHER and FRED SANTANGELO have cooperated fully and have helped in every way. The minority members, Congressmen H. CARL ANDERSEN, WALT HORAN and BOB MICHEL have done their part to bring this bill to the floor in the best possible shape.

Now I would like to discuss some of the major factors with which we had to deal.

FARM INCOME AT LOW LEVEL

The records of the Department show that the Federal Government is now spending far more in the name of agriculture than ever before in history, and yet income from farming in 1959, including soil bank payments, was at the lowest level since before World War II. This is true, despite the fact that national income has increased consistently each year and per capita income for all segments of the population, other than agricultural producers, is at the highest level in the history of the country.

The farm price support program was created in 1933 to preserve and maintain our soil resources, to give the farmers suitable purchasing power and to provide

the consumers with an adequate supply of food and fiber. By 1952 some weaknesses began to become apparent in the laws which were enacted at that time. The Government had an investment of some \$2½ billion in commodities in 1952 and was incurring some one-half billion dollars of cost per year. This came about because of overproduction.

Several factors contributed to this overproduction: First, the increased knowledge and technical know-how of farmers who were able to materially increase their production by cultivating each acre; second, lack of effective means of controlling production due to an antiquated system of acreage controls which was becoming ineffective.

Net farm income was \$14.4 billion per year in 1952.

Beginning in 1953, the Department of Agriculture, reflecting the views of some people, insisted that changes should be made in the program then in effect. Since that time, the following cures have been offered, tried, and from the record found wanting, so far as solving the problem is concerned:

First. Price support reductions averaging 20 percent were made under the "flexible price support plan."

Second. A soil bank program was created to curtail production by paying farmers not to farm.

Third. Public Law 480 was enacted to dispose of surpluses by virtually giving them away overseas.

Fourth. Research and extension appropriations have been increased some 120 percent.

Fifth. Department of Agriculture personnel has increased about 28 percent and appropriations have increased around 300 percent.

Sixth. Production controls have been relaxed as price support levels have been lowered. For example, the removal of controls on corn production, beginning with the 1959 crop, has resulted in enormous increases in acreage harvested and volume of production.

THE RESULTS

Most of these so-called cures have been a heavy drain on the Treasury and have provided little to improve the deteriorating farm situation, which will grow worse if the present course is followed.

One serious result has been the impairment of purchasing power of rural America. Farm income has dropped from \$14.4 billion in 1952 to \$11 billion in 1959, a 24 percent reduction. The effect of reduced prices and increased costs on net farm income during this period is indicated by the following figures from the records of the Department shown on page 68, part I, 1961 hearings:

	Prices received	Prices paid	Parity ratio (percent)	Net income from farming (billions of dollars)
	(Index based on 1910-14)			
1952.....	288	287	100	14.4
1958.....	250	283	85	13.1
1959.....	240	298	80	11.0
4th quarter, 1959..	231	297	78	10.9

The loss of this purchasing power has already affected not only those who depend on farming for a livelihood, but also those engaged in banking, merchandising, industrial production, and other business activities, particularly in the smaller communities. Since those dependent on agricultural income, either directly or indirectly, represent an important market for goods produced in the urban areas of the Nation, this loss of farm income has not only affected the economic welfare of farm sections of the Nation, but if allowed to continue is bound to have serious effects on the whole Nation.

The importance of American agriculture as a market for the Nation's goods can be appreciated when it is realized that agriculture uses more finished steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry. It uses more rubber each year than is required to produce tires for 6 million automobiles. It is one of the Nation's largest users of electrical power. Its inventory of machinery alone exceeds the assets of the American steel industry and is five times that of the automobile industry.

It has been reliably estimated that each dollar of farm income produces \$7 of income throughout the rest of the economy. Thus, it is reasonable to assume that the loss of \$3.4 billion of farm income in 1959, as compared to 1952, resulted in a loss of domestic markets worth some \$24 billion to the industrial producers of the Nation in that 1 year.

Another unfortunate result of these so-called cures has been the production of huge surpluses of many agricultural commodities, which have served to depress markets generally for agricultural products, and have been a great economic loss to the United States. Figures furnished by the Department, as set forth on page 68, part 1, 1961 hearings, indicate that total farm output has increased from the 1952 level of 108 percent of the base period 1947-49 to 125 percent in 1959. This increase in production of 17 percent, which has created the surplus problem, has to a considerable degree been due to efforts of farmers to offset reduced prices by increased output. This has placed an additional strain on the fertility of the Nation's soil. It is estimated by officials of the Department that this unneeded production has cost the grain farmers over \$1 billion in extra annual production of grain alone.

COSTS TO FEDERAL TREASURY

Seven years of experimentation with reduced price supports, outmoded acreage controls, ineffective soil bank programs, and costly oversea disposals under Public Law 480 has placed a heavy financial drain on all segments of the American economy. And benefits to the farmer have been less than those received by other groups through these programs.

A summary of these tremendous expenditures resulting from excessive pro-

duction while trying these so-called cures since 1952, follows:

	Billion
Reduced price supports.....	\$8.0
Soil bank program.....	4.3
Public Law 480.....	13.5
Total.....	25.8

Nearly \$3 billion is provided in the bill for 1961 to meet the continuing cost of these programs, as follows:

	Billion
Restoration of capital impairment of Commodity Credit Corporation (price support).....	\$1.226
Conservation Reserve (Soil Bank).....	.310
Reimbursements to CCC for cost of Public Law 480 and other special activities.....	1.444
Total in 1961 bill.....	2.980

In addition to these heavy expenditures, the appropriations for the other programs of the Department have increased from \$827.5 million in fiscal year 1952 to \$1,089.2 million in fiscal year 1960, an increase of nearly 32 percent.

PRICE SUPPORT REDUCTIONS

In the past 7 years price supports have been reduced an average of 20 percent. These drastic reductions, in the face of constantly rising production costs, have had several important effects on the farm economy of the Nation. First, they have reduced net farm income nearly one-fourth between 1952 and 1959. Second, they have created tremendous surpluses which are about to wreck the entire farm program.

As has been pointed out each year by many members of this committee, farmers tend to increase their production as farm prices are reduced, in an effort to maintain income essential to meet operating cost and living expenses. Experience during the past few years has disproven the theory advocated by some that reduced prices will reduce production. The records of the Department for the past 7 years show that production has increased at about the same rate that price supports have been reduced.

One of the most definite indications of this is Commodity Credit Corporation holdings which have increased from \$2.5 billion in 1952 to over \$9.2 billion as of January 1960. A study of figures appearing on pages 373-387, part 3, 1961 hearings, further supports this point.

The total cost of the price support program from its inception in 1932 through 1952 was about \$2.6 billion. With lowered price supports and increased production, the Department has lost another \$8 billion under this program since 1952. An estimate furnished by the Department shows that price support on surplus feed grains alone cost the Government some \$3.5 billion in price support investment and \$1.5 billion in carrying charges in 1959. Figuring farm costs of extra production at 50 percent of normal, this surplus cost the farmer in excess of \$1 billion to produce—page 754, part 3, 1961 hearings.

SOIL BANK PROGRAM

In 1955, the soil bank was offered as a solution. Acreage was rented from farmers and taken out of production,

though the record shows 23 percent had not been in production. The cost of the soil bank to date, including funds in this bill, has been approximately \$2.7 billion. It is estimated that an additional \$1.6 billion will be required in future years to meet long-term conservation reserve commitments entered into under existing legislation. This estimated total cost of \$4.3 billion would be further increased if this program were to be extended beyond the present year.

The production records of the Department show that the program has been relatively ineffective in bringing production in line with need—pages 373–375, part 3, 1961 hearings. There seems to be little benefit from this program, unless considered as a means of offsetting loss of farm income at the marketplace. The past record proves conclusively that this program offers no future solution to the problem of overproduction, even if billions of dollars are spent each year.

As shown by the Department's testimony, 2.6 million farms are classified as small farms. These represent 56 percent of the total farms in the United States, which include about 275 million acres, but produce only 9 percent of the commercial production. Therefore, if all such farms were removed from production at an average of \$10 per acre, it would cost \$2,750 million a year and would reduce production only 9 percent—assuming large farms did not offset such reduction. These figures cannot be misunderstood.

PUBLIC LAW 480

The Agricultural Trade and Development Act, Public Law 480, was proposed as a means of disposing of the surpluses which reduced price supports and acreage controls had failed to control. Title I of this law provides for sales for foreign currencies, title II authorizes donations to friendly countries to meet famines and other disasters, and title III provides for barter and other means of disposal. It is to be noted that the Government pays the full costs of this program in American dollars.

It was adopted by Congress with serious misgivings on the part of many people. In view of the fact that it has done nothing toward stopping overproduction—in fact it has tended to postpone the time when Congress will deal with that problem—such misgivings appear to have been fully justified.

This program, which was first started in 1954 as an outlet for surpluses, has developed into an outlet for production overflow at practically 100 percent cost to the United States. Instead of correcting the situation, it has been followed by more and more surpluses.

The authorization for sales to foreign governments for local currencies under title I has expanded tremendously since its inception as follows:

	Total authorization— billion
July 1954.....	\$0.7
August 1955.....	1.5
August 1956.....	3.0
August 1957.....	4.0
September 1958.....	6.25
September 1959.....	9.25

In addition, up to \$1.4 billion is authorized for donations under title II. Title III costs will further increase this amount, although exact figures are not available. Through December 1959 over \$2.9 billion of commodities have been donated and bartered under title III. Thus a total of over 13.5 billion American dollars has been authorized for expenditure since 1954 under present law. Further extensions of the act would of course increase this total cost.

This program was originally justified as a means of using agricultural surpluses to develop and promote overseas markets for U.S. agricultural products. There is evidence to indicate, however, that foreign currencies generated under this program in some instances are being used to expand agricultural production abroad, in competition with U.S. products in world markets. Further, it appears that such programs are often undertaken in countries which have no prospects of ever providing markets for U.S. products.

An example of this is a project called "Operation Beef" in Argentina. Under this program, \$14.3 million is being used to increase beef production in that country to compete with U.S. meat producers in world markets. Since Argentina produces many of the same crops as the United States, the two countries are natural competitors and market prospects there are very limited. Therefore, it is hard to understand how U.S. interests are benefited by projects of this kind.

Whatever the benefits of the Public Law 480 program, in the opinion of many members of the committee, it too has failed to help the overproduction problem. As mentioned earlier, it probably has contributed to a constantly deteriorating situation for American agriculture by getting these huge surpluses "out of sight" abroad and thereby postponing action to prevent the increase in the surplus problem.

If a sufficient amount were diverted from the tremendous supplies on hand and available for use under Public Law 480, such commodities could well be the means of enabling the farmers to bring production in line with domestic and foreign consumption. If used to protect farm income while the farmer cut production 20 percent, they would reduce storage costs up to \$100 million per year and would reduce price support costs—possibly \$700 million to \$1 billion per year. Further, they would protect farm income during the period of adjustment needed to bring production in line with demand, and would enable such a plan to be carried out at little or not cost to the Government. The commodities have already been bought and paid for by CCC and will otherwise be given away to foreign countries under Public Law 480. A full discussion of such a proposal for feed grains, the area of our greatest problem, is contained on pages 172–173, part 3, 1961 hearings.

In the opinion of a majority of the members of the committee if the Public Law 480 program is to be continued, it should be considered a foreign aid pro-

gram and should be paid for in the mutual security bill.

EXPANDED RESEARCH AND EXTENSION

As pointed out previously, funds for the research and extension programs of the Department have expanded about 120 percent since 1952. A summary of this increase is as follows:

	1952	1960
Department of Agriculture research.....	Million \$44.2	Million \$104.4
State experiment stations.....	12.7	31.8
Extension Service.....	33.5	64.1
Total.....	90.4	200.3

The large increases for these programs have been justified by the Department and offered as an answer to the farm problem and as a substitute for protection of farm income through adequate price support levels. They have been supported by the Department on the theory that improvement of farming methods and development of new uses for agricultural commodities through research can offset reduced income and thereby enable the farmer to stay in business.

The members of the committee fully recognize the value of these essential programs. They are aware of the important benefits of research and extension work to the farmers of the Nation. They realize the fact that farmers would be much worse off financially than they now are, were it not for the improved production techniques which have resulted from the research and extension programs of the Department.

They realize, however, that the real benefits of this work are not sufficiently direct and fast enough to meet a sudden economic crisis, such as has been experienced in the past few years. They wish to point out, therefore, that these programs, as fine and essential as they are, cannot and should not be expected to offset sudden losses of farm income and related economic problems.

PERSONNEL AND APPROPRIATIONS INCREASES

It is apparent that continued increases in personnel and funds for the Department of Agriculture is not the answer to the farm income problem, where higher cost and lower prices are leading to overproduction. If such increases could improve the situation, the 28-percent increase in personnel and 300-percent increase in appropriations since 1952 would have done so. A summary of the expansion of the Department is as follows:

Personnel	
Dec. 31, 1952.....	67,406
Dec. 31, 1959.....	86,508
Increase (28 percent).....	19,102
Appropriations	
Billion	
Fiscal year 1953.....	\$1.045
Fiscal year 1960.....	4.045
Increase (300 percent).....	3.083

REMOVAL OF CONTROLS

Along with actions taken to reduce price supports, efforts have been made by the Department to remove or curtail

production controls. This also has contributed to the increased production in recent years and the ever-mounting surpluses.

While efforts to control production through acreage controls have not been effective, it appears unwise to eliminate them until some satisfactory substitute has been adopted. Mandatory price supports on basic commodities cannot work without some type of control over production.

At the recommendation of the Department, a program was adopted last year which removed all controls on corn, beginning with the 1959 crop, along with a further reduction in price-support levels. This was done over the strenuous objection of many Members of Congress who realized that the inevitable result would be to increase production

substantially, fill up Government storage facilities, increase Government costs, and further depress the market.

The result of this new corn program has been to increase harvested acreage from 73.3 million acres for the 1958 crop to 84.6 million acres for the 1959 crop. Intentions to plant for the 1960 corn crop are estimated by the Department to further increase to 85.8 million acres. They could possibly increase to 90 million acres.

While it is too early to see the ultimate effect of this program, it is significant to note that production of corn increased from 3.8 billion bushels in 1958 to 4.4 billion bushels in 1959. Further increases for 1960 are probable.

A summary of Department figures placed in the 1961 hearing record relative to corn is as follows:

Corn (bushels)	Support levels (percent)	Acreage harvested (million acres)	Yield per acre	Production (million)	CCC inventory (million)	Storage and handling costs (million)
1952.....	90	80.9	40.7	3,292.0	\$500.0	\$28.3
1956.....	84	75.6	45.7	3,445.3	1,245.6	71.5
1958.....	77	73.3	51.8	3,800.9	1,857.8	140.0
1959.....	66	84.6	51.5	4,361.2	1,861.3	133.5

In the face of this record, it is even more disturbing to learn that the Department is now recommending the same kind of program for the handling of wheat. This would certainly compound the problem, if adopted.

CORRECTIVE ACTION URGENTLY NEEDED

Members of this committee tried to tell the Department in 1953 and subsequent years that farm income is based on "volume" times "price" less "cost." They tried to convince the Department that, if prices were reduced, the farmer—faced with increasing costs—of necessity would increase volume, and could do so since control by acreage is no longer effective. Prices were reduced, and production went up—not down.

While differences of opinion exist as to what should be done in the future, the record clearly shows what has been done during the past 7 years has been no solution. The situation becomes progressively worse for the farmer and the taxpayer, while the major benefits go to those between the farmer and the consumer. The above facts and experiences convince a majority of the committee that the problem will never be solved until Congress attacks the problem at its base, which is overproduction.

It is the belief of a majority of this committee that, for the protection of our overall economy, farm prices must reflect cost plus a reasonable return. Such prices, however, must be made contingent upon farmers holding farm production, in terms of bushels, bales and pounds, to domestic and normal foreign markets. If that is done an adequate price can be obtained at the marketplace.

This makes it imperative that present approaches to this problem be reversed if the agricultural industry of this country is to survive, and if we are to prevent a bankrupt agriculture from pulling down the rest of our economy. Further,

the taxpayers are not likely to continue to finance such needless and heavy expenditures which can be avoided if proper supports based upon farm costs are restored and made contingent upon actual production being held in line. Unless present programs are reversed, they will eventually wreck farm purchasing power, and eventually the entire national economy.

Farmers themselves are suffering most from these costly and ineffective programs. They are forced to operate in a manner that causes them to deny their families an adequate standard of living and in many instances they are taking fertility from the soil that they wish to preserve for future generations. On numerous occasions they have expressed a desire to cooperate with the Federal Government to bring about a correction of the farm problem. To a large extent their pleading has been ignored because of the influence of those between the farmer and the consumer who have prospered in the farmer's name and at the cost of the taxpayer.

After the experience of the past 7 years, it appears absolutely necessary that production be brought in line with the needs of domestic and foreign dollar markets. Past approaches to overproduction must be reversed, using surplus commodities now on hand to ease the financial shock on the farmer and the general economy during the period necessary for adjustment.

And whatever we do, our investigations and hearings show we must operate the Commodity Credit Corporation on a strictly business basis, with due regard to safeguarding the assets of the Corporation in order to protect the U.S. Treasury.

THE COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an

agency of the United States. From 1933 to 1939 the Corporation was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan I. Under the Commodity Credit Corporation Charter Act of June 29, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter.

The original capital in 1933 was \$3 million. The act of March 8, 1938, gave CCC its first borrowing authority of \$500 million. This was increased periodically until it had reached \$6.75 billion in 1950. This amount has been increased four times since 1952 and now stands at \$14.5 billion.

The Corporation is managed by a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a director and chairman of the board. The board consists of the Secretary of Agriculture and six other members appointed by the President and confirmed by the Senate.

Under the provisions of the Corporation's charter, its officers and employees are obligated to operate on a sound business basis and protect the assets of the Corporation. In the past, the officers and directors have been full-time employees of the Department, and thereby able to give only a portion of their time and attention to this \$14.5 billion Corporation, the largest in the world, handling the greatest volume of buying and selling of any business organization known.

The policies adopted and actions taken by Department and CCC officials in recent years have been disappointing to the committee. In the opinion of many members, they have lacked complete objectivity.

As a result, the record indicates that much unnecessary cost has been incurred and much money has been wasted, all of which has to be restored by appropriations from the Treasury.

STORAGE COSTS EXCESSIVE

Many fail to realize that about half of the price support expenditures each year are for such items as storage and handling, transportation, interest and administration. Despite frequent comments concerning subsidies and price support benefits to the farmer, the amount which eventually goes to the farmer is only a portion of the cost. In fact every group seems to be cut in on profits far beyond those received by the farmer. In fiscal year 1959, for example, storage, transportation, administrative and interest costs were 49 percent of the total losses under the price support program. And, while the rates for these nonfarm costs assure a handsome profit, amounts paid to farmers as price supports hardly cover production costs.

In 1959, storage and handling charges totaled \$481.7 million. Storage charges for 1960 are estimated at \$612 million. Further, unless something is done to curb this increasing cost, storage costs are expected to exceed \$700 million in 1961. It should be noted that this latter

amount is nearly equal to the cost of running all of the Department's regular activities in 1953, including research, marketing extension, soil conservation, crop insurance, regulatory activities, and forestry.

During this period, while support prices to farmers were being reduced by an average of 20 percent, rates paid to warehousemen for storage were being increased substantially. Further, since the farmer pays for the first year of storage, this increase in storage costs further reduced the net amount of his loan by the same amount. The total cost of storage was increased from \$73.3 million in fiscal year 1952 to \$481.7 million in fiscal year 1959—pages 483-486, part 3, 1961 hearings. During this same period, net income to the farmer dropped about 24 percent.

Committee investigations made in 1955 and 1956, which have been made a matter of record, disclosed various actions of the Department to increase storage costs through increased rates and benefits to private warehousemen and the use of commission merchants and forwarding agents in lieu of available Department personnel. These investigations also provided information to show that commodities were often moved from one area of the country to another, regardless of expense, in order to fill empty commercial warehouses, even though Government storage bins were left vacant. In 1955, over 16 million bushels of corn were moved from the Midwest to the West coast at a cost to the Government of over \$8 million, even though vacant space remained at locations from which shipped.

A comprehensive committee investigation conducted last fall provided further information which helps to explain why storage charges have increased so much in recent years. For example, this investigation included figures showing that storage charges paid certain warehouses during the period 1957-59 were sufficiently high to allow the owners to recover their investment in buildings and equipment in a period of 2 years. In one instance, the investment was liquidated in 16 months. While uniform storage rates for uniform warehousing and storage appear sound, the same rate for inferior or low-cost warehousing cannot be justified and is far too expensive to the Corporation.

Further, during this period of price reductions for the farmer and profitable increases for all others, the Commodity Credit Corporation disposed of usable Government-owned storage bins at a substantial loss. During this same period, many CCC-owned bins were leased to private persons, some of which were rented for storage of Government-owned grain. The figures on pages 758-759, part 3, 1961 hearings, show that as of December 31, 1957, some 31.7 million bushels of CCC storage bins were leased for three-fourths cent per bushel per month—an annual rate of 9 cents per bushel. Some of this type of space has been rented by CCC for the standard annual rate of 16.5 cents per bushel, plus loading in and out charges.

Evidence has also come to the committee's attention that Government-

owned storage space such as bins and liberty ships was and is being held vacant in order to keep private warehouse space filled at excessive storage rates.

Officials of the Commodity Credit Corporation state that these actions were taken under their interpretation of authority in section 3 of the charter of the Corporation, which reads as follows:

That nothing contained in this subsection (b) shall limit the duty of the Corporation, to the maximum extent practical consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channel facilities and arrangements of the trade and commerce in warehousing commodities.

It is the opinion of the majority of this committee, in view of the obligation of the officers of the Corporation to protect its assets and thereby the taxpayer, that these actions do not constitute "effective and efficient" conduct of the Corporation's business.

RECLASSING OF COTTON

Since 1956, the Corporation has paid out over \$166 million in rebates on cotton reclassified after sale, a large part to international cotton traders who held such cotton for the Government in their own warehouses where they could easily have advance knowledge of reclassing rebates, thus preventing true competition at time of sale. A breakdown of this amount is set forth on page 314, part 3, 1961 hearings. Much of this cotton was sold by such buyers from CCC in world trade at higher than the original class, as shown by previous committee investigations.

The committee developed these facts in 1958 and the CCC stopped the practice for the past year—selling approximately 6 million bales without reclass after sale. Thus no rebate was paid. Notwithstanding this fact, yielding to pressure from those who received such rebates, the Department has again refused to reclass before sale so as to have maximum competition and treat all bidders alike. It has announced that for the ensuing year it will reclass cotton after sale on a discount basis.

In the opinion of the committee such action shows an utter disregard of the obligation to protect the assets of the Corporation and thereby the taxpayer.

FAILURE TO SELL COMPETITIVELY

For a number of years the CCC, following orders of the Department, refused to sell U.S. agricultural commodities competitively in world markets, notwithstanding unlimited authority to sell competitively for dollars. Page 148, part 3, 1961 hearings, shows the years in which commodities were not offered competitively. During that period, CCC stocks on hand increased from \$1 billion as of June 30, 1952, to \$3.7 billion on June 30, 1954, and \$5 billion on June 30, 1955.

Finally in late 1954, at the insistence of this committee, the Department began selling some commodities competitively in world trade for dollars. Finally all commodities except cotton were offered. During this period, while cotton was held off world markets, CCC holdings of cotton increased from \$418,000 in 1952 to \$1,249,813,000 in 1956.

In 1955, at the insistence of this committee, the first cotton was offered for sale abroad for dollars on a competitive basis and 1 million bales were sold in a very short time. Then at the request of American international cotton merchants, the Government again held U.S. surplus cotton off world markets. Congress then passed the Agricultural Act of 1956 requiring sales for dollars. Notwithstanding this legislation, the Department in 1958 refused to offer cotton at competitive prices "in violation of law" according to the Comptroller General. Exports dropped from 7.6 million bales in 1956-57 to 2.8 million bales in 1958-59. This course has cost the CCC and the people hundreds of millions of dollars and has done great damage to the U.S. cotton producers.

In 1959, competitive overseas sales were started again and exports for 1959-60 will again increase to a total of 6.5 million bales, from a low of 2.8 million bales in 1958-59 when the CCC, under instructions from the Department, was holding U.S. commodities off world markets, increasing storage costs and holding an umbrella over increased foreign production.

Despite the success of the competitive sales program, the CCC now is using the payment-in-kind approach, the cost of which is hard to determine. Future investigations will likely show exorbitant profits to many nonfarmers.

LACK OF SALES PROGRAM

It will also be recalled that this \$14.5 billion Corporation, which was purchasing increasing quantities of commodities each year, did not even have a sales organization or a sales manager until congressional action was taken to require such a program. In 1956, this committee created a special position of sales manager and directed the Corporation to set up a sales organization and undertake an aggressive sales program. The work of this sales manager has been fairly effective. However, domination by other officials of the Department and lack of authority to sell have reduced his effectiveness.

RECOMMENDED IMPROVEMENTS IN CCC OPERATIONS

These factors have caused a majority of the members of the committee to agree that the operations of this huge corporation must be improved. Considerable monetary savings could be made through improved operations.

The committee believes that CCC would be more effectively and efficiently run and its assets better protected, if its officers were full-time employees of the Corporation rather than officials of the Department, with full time jobs with other activities of the Department. The committee has therefore included language in the bill to require that the officers and directors of the Commodity Credit Corporation be paid from corporate funds, after February 1, 1961. This should have the effect of giving the Corporation more independence and should lead to greater efficiency in its operation and less impairment of capital, which will thereby reduce the amount of future appropriations required.

Further, since the officers and directors of the Corporation have the obligation to operate efficiently and to protect the assets of the Corporation, and thereby the Government and the taxpayers, a majority of the members of the committee believe from the record before them that certain corrective actions are necessary with regard to storage practices.

The committee urges the Corporation to decrease amounts paid for other than farmer-owned storage by at least the reduced value of the commodity stored, as determined by the reduction in price support levels and per-unit investment of the Government since 1952 in such commodities. It also urges the Corporation to discontinue the sale or lease of Government storage space to commercial concerns where such space can be used more economically to store commodities by CCC.

Further, should the Corporation's holdings be reduced to the point that competition exists between warehousemen at terminal markets or ports, a majority of the members believe that the CCC should set up guide rules or perhaps advertise for bids, in order to hold down costs and reduce the opportunity for favoritism in determining which warehouses will receive Government business at such points.

The committee does not approve the moving of CCC stocks from Government storage bins and liberty ships into commercial space in order to pay commercial warehousemen storage costs. The Government-owned facilities should be used to capacity at all times. Furthermore, the CCC should not encourage expansion of commercial storage facilities beyond community needs by offering unrealistic rates that encourage highly speculative investments on the part of inexperienced grain storers. Prior to any request to the warehouse industry to provide additional storage, the CCC should make a survey to determine the adequacy of space to handle stocks over an extended period of time.

The committee is firmly opposed to the proposal to reinstate reclassing of cotton after sale. They oppose it for two reasons: First, it adds to the capital impairment of the Corporation and increases the annual appropriations by lessening competition and funds received by CCC from sales; and second, such a practice gives a definite advantage to the large cotton buyers who also have large quantities of CCC-owned cotton stored in their warehouses and thereby are in a position to anticipate rebates from reclassing in offering bids for cotton purchases from CCC on a competitive basis.

The committee has included language in the bill, therefore, which prohibits the use of CCC funds to carry on cotton reclassing after time of sale. It is of the opinion that any reclass of cotton should be contingent upon determination by CCC that there is a need for such reclass. Further, it believes that cotton should be sold by sample or cataloged so as to give all purchasers an equal opportunity to bid. The committee notes that the Department, following such a course, sold 6 million bales of cotton this year without such reclass after sale.

NEW APPROACH TO PRODUCTION CONTROL NEEDED

The most serious problem facing Agriculture today is the continued overproduction of crops already in surplus supply. Yields per acre for nearly all crops have increased steadily in recent years. Total production has also increased, despite acreage controls and the Soil Bank.

When the present system of acreage controls was placed into effect over 20 years ago, it was fairly effective, since acreage yields were limited by the type of agriculture used at that time. In recent years, however, this means of control has become completely ineffective due to improved methods of cultivation and increased use of machinery, fertilizer, insecticides, and improved seed.

It is apparent to this committee that something has to be done. Correction must be made, both for the welfare of the farmer and the Federal Treasury.

In seeking a solution, several facts are evident:

First. What we have been doing has not worked. After spending or committing ourselves to spend nearly \$26 billion, the record shows the situation to be three to four times worse in terms of surplus inventories of CCC.

Second. Farm income is now so low, even with the sale of the overproduction to the Government, that farm purchasing power must be protected from a further drop.

Third. Any future farm program must provide that farm income shall come from the production of that quantity of product necessary for domestic and foreign markets. In the interest of the overall national economy, such production must reflect farm costs plus a reasonable profit. Such income should come from the marketplace.

Fourth. To bring about correction, we have one factor which should enable us to scale back overproduction without injury to farm income or further cost to the taxpayer during the period of adjustment. This is the \$9.2 billion of CCC commodities on hand which are already paid for. Commodities from these stocks should be offered to farmers in consideration for cutting back farm production.

If such a plan were put into effect, there would be a number of important benefits to the national economy—(a) the Government would save storage costs, (b) price support costs would be reduced in line with production actually eliminated, (c) farmers would save the cost of producing extra units of production for which there is no market. Further, no additional outlays of funds would be required to accomplish this objective, since commodities to be used are in Government stocks and will otherwise be given away under Public Law 480.

Once production and demand are in reasonable adjustment under this program, it would appear that fair and reasonable price supports should be provided for the farmer's share of the domestic market. Any overproduction should be eligible for foreign markets at world prices. If this course were fol-

lowed, the cost to the Government would be negligible.

The other course which might be followed would be to continue price supports on total production, limited to domestic, and foreign markets. If this approach were used, the Government would continue to pay the cost of the difference between the support price to offset high American costs and the world market.

Whichever course is followed, or if some other answer is to be found, it is the belief of a majority of this committee that the Department and the Congress should get together without delay on a plan to use surplus commodities on hand to get farmers to cut total production of wheat and feed grains—the area of greatest difficulty at the present time—which commodities must be considered together. Merely cutting acreage will not work, as shown by the record.

The Department should be authorized to immediately institute a program which will encourage each producer of wheat, corn, and feed grains to curtail his production up to 25 percent in any one year in return for the transfer to him from CCC stocks of an equal quantity of the commodity for which reduction was made.

Under such a plan, the Secretary of Agriculture would transfer from Government stocks of wheat, corn, grain sorghum, or other feed grains, which are otherwise available for shipment to foreign countries under Public Law 480 and similar programs, to any U.S. producer of said grains upon the following terms and conditions:

First. The producer must reduce his total production of wheat, corn, grain sorghum, or other feed grain below his average production of all of said grains for the 3 preceding years.

Second. The Secretary shall first enter into an agreement for a period of from 1 to 3 years with any such producer of wheat, corn, grain sorghum, or other feed grain, or any combination thereof, which will require upon the part of such producer that he reduce his total production of all of said grains below his average production of the 3 preceding years before such producer can qualify to receive Government stocks.

Third. The Secretary shall determine the amount of such transfer of said feed grains to be offered for transfer in any year to any one producer, but in no case shall the amount exceed 25 percent of the average production of said producer for the 3 years next preceding the date of such agreement. Such transfer may be made by transferring warehouse receipts.

Fourth. To obtain such Government stocks, each farmer must (a) file notice with the county committee that he expects to avail himself of such offer, (b) agree in writing to reduce his total production of all or any combination of such grains for the years included in such agreement, (c) submit a statement of his production of all of said crops for the 3 preceding years, together with such additional proof as may be required by the Secretary, (d) certify that he will not increase his production of other com-

mercial crops, and (e) supply such proof of reduced production as the Secretary may require.

Fifth. Insofar as practical, grain so transferred shall be of the same type and kind as that for which reduction in production was made by such producer. When not practical, such transfer shall be in quantities of grains of equivalent monetary value.

Sixth. The Secretary of Agriculture would be authorized to issue such rules and regulations as may be essential to carry out this provision.

As a part of such a plan, a commission could well be appointed to study and prepare a farm plan for submission to the Congress after adjustment of production has been made. Such plan should be based on protecting farm income at the market place and keeping production in line with domestic and foreign markets. This approach is deemed necessary because of wide differences which now exist between farm organizations and between farm leaders, including those in the Congress.

It is believed by a majority of the members of the committee that this proposal is a start in the right direction, that is, toward a program of balancing production with market demand and the long time need to maintain soil and water resources. It would provide an effective means of controlling production through production quotas on the quantity of a commodity which may be produced and marketed. In addition, it would save farmers their present cost of production on that part of their production eliminated, and would save the Government the price support and storage and handling costs on the surplus which otherwise would be produced. It is to be noted that, under this plan, the Government would save storage costs of from 11.68 cents per annum for oats to around 16.5 cents for corn and 17.885 cents for wheat and flax, for each bushel removed from storage. Also, it should be remembered that it would cost the Government little, if anything, for commodities transferred to farmers in payment for reduced production, since such commodities are now on hand and will otherwise be given away under the "foreign aid" Public Law 480 program.

BENEFITS TO GENERAL PUBLIC

As pointed out in previous years, most of the programs of the Department are of direct benefit to every citizen of the United States and should not be considered to be exclusively for the benefit of the farmer. American consumers in general receive as large a share of the benefits from Federal funds spent for agriculture each year as do the farmers themselves. Programs benefiting the general public as much or more than the farmer include the following:

First. Improvement and protection of public health, including home economics and human nutrition research, plant and animals disease and pest control, meat and poultry inspection, school lunch and special milk programs, and donations to schools, institutions and needy people.

Second. International relations and national defense, including Foreign Agricultural Service, donations to Veterans'

Administration and Defense Department, donations to needy people abroad, International Wheat Agreement, emergency famine relief, sales for foreign currencies (Public Law 480), and bartered materials for stockpile.

Third. Regulation and improvement of marketing, including marketing research and regulatory activities, market inspection, grading, classing and standards, agricultural estimates, market news services, freight rate services, the Commodity Exchange Authority, and the Farmers Cooperative Service.

Fourth. Conservation of natural resources, including the Soil Conservation Service, watershed protection, flood prevention, Great Plains program, and the agricultural conservation program.

Of the funds expended for agriculture for fiscal year 1960, it is estimated by the Department that over 54 percent will be spent for programs which benefit the general public as well as the farmer. Estimated expenditures for fiscal year 1961 indicate the same situation—page 26, part 1, 1961 hearings.

AMERICAN CONSUMER EATING BETTER

Further, it should be pointed out that the American consumer is eating more and better food at less cost than ever before in history. While per capita income in the United States has increased steadily each year, consumers are spending a smaller share of this income for food. Department of Agriculture statistics—page 85, part 1, 1961 hearings—indicate that the average American consumer is spending about 21 percent of his income for food, as compared to 23 percent in 1951 and 27 percent at the end of World War II. Figures on page 87, part 1, 1961 hearings, show that 1 hour of factory labor will buy twice as much food as it would 30 years ago. In 1929, 1 hour of labor would buy 6.4 loaves of bread, while in 1959, 1 hour of labor bought 11.3 loaves. One hour of labor will now buy 17.6 pints of milk as compared to 7.8 pints in 1929. The same relationship applies for meat, butter, eggs, potatoes, oranges, and most other agricultural items.

DONATIONS AT HOME AND ABROAD

When considering the cost of agricultural programs, it is important to realize that a significant part of the cost of the Department of Agriculture is due to the furnishing of foods to needy people, both in the United States and overseas. Since 1953, \$1.3 billion of surplus foods have been distributed to the needy people of this country. This has been of direct help to States and local communities in handling their own welfare programs. In 1959, over 21 million Americans benefited from these surplus foods. Since 1953, approximately the same amount of surplus foods have been given to needy persons in foreign countries. These donations have been made through U.S. voluntary agencies in which church-affiliated organizations have played an important part.

While the cost of the Public Law 480 program, which is paid for in American dollars, is carried in the agricultural appropriation bill and, therefore, charged against the farmer by those who are unfriendly to agriculture, most of the real

benefits seem to go to everyone but the American farmer. Some 85 to 90 percent of all foreign currencies received in payment for foods shipped abroad is either given or loaned back to the government of the recipient countries. These funds, which are frequently used to create or expand foreign agricultural production in competition with U.S. producers, are handled by the International Cooperation Administration as a supplement to the regular foreign aid program.

The balance of these foreign currencies are set aside for the use of the United States to meet overseas expenditures which otherwise would have to be met by appropriations from the U.S. Treasury. Under the provisions of section 104 of Public Law 480, these foreign currencies may be used for a variety of U.S. purposes abroad, including market development, trade fairs, supplemental stockpiling, educational activities, translation and acquisition of foreign publications, scientific activities, construction of U.S. buildings and operation of U.S. agencies.

The bulk of these currencies are being used overseas for such things as foreign aid operations, military housing, stockpiling, and educational and research activities. Yet the cost of the foreign currencies used for these programs has been included in the agricultural appropriation bill, rather than in the bills of the appropriate Federal agencies. On May 5, 1958, an official of the Commodity Credit Corporation pointed out that present legislation prevents CCC from even recovering interest which it must pay from those agencies which derive benefits under the barter program of Public Law 480. In connection with overseas military housing financed through this means, he stated:

Under our arrangements with the Department of Defense, CCC will receive reimbursement for its investment from savings in quarters and station allowances which would otherwise be paid to the military personnel occupying the completed housing. Based upon Department of Defense estimates, CCC will not recover its investment in the housing for a period of some 17 years.

During this time, CCC must pay interest to the U.S. Treasury on the \$50 million which it has tied up in the housing. This interest cost, running to about \$14 million, cannot be recovered from the Department of Defense under existing legislation and will be reflected as a charge against the farm program administered by the Department of Agriculture.

In my opinion, I would be derelict in my responsibilities if I recommended the approval of other housing projects of this kind.

THE CRANBERRY INCIDENT

The situation which developed last fall with respect to the misuse of chemicals on cranberries and caponettes on a relatively small percentage of total production points up a serious problem facing Agriculture with respect to the use of pesticides and sprays. From the standpoint of public health it should be recognized that many such chemicals are necessary to protect food. Failure to use insecticides could result in the production of foodstuffs even more harmful to human health than those heretofore condemned. Also, pesticides and sprays must be used by farmers to

produce the high quality and low cost foods which the consumers of the United States are demanding. Further, the use of sprays is necessary to prevent sizable economic losses to the Nation from pest and disease damage to crops.

The development of more effective insecticides is one of the reasons why only 12 percent of the people in this country are able to feed the other 88 percent—a situation which has never before existed in the history of the world.

Farmers are continually harassed by plant and animal pests and diseases. They cost farmers billions of dollars annually. For example, the European corn borer has become one of the most injurious enemies of corn in this country. It causes substantial losses every year and in recent years these losses have sometimes ranged over \$150 million annually. Cotton insects, principally the boll weevil, cause tremendous annual losses, to which must be added the cost of chemical controls. Cotton farmers must spend \$75 million or more annually for insecticides. Since pioneer days, grasshoppers have caused extensive damage to both crops and rangeland. Annual losses from this pest are over \$100 million. Cattle grubs are distributed over the entire country, causing losses of about \$100 million annually from losses in weight and production, damage to hides, and loss of meat in dressed carcasses.

The wide variety of chemicals used for control of pests and diseases today serves only to allow a farmer to hold his own or stay even in his production. Without the proper use of chemical controls, flies would contaminate milk with filth and create a hazard to the public health. The codling moth, phony peach disease, peach mosaic, pear blight, and the apple maggot plague the farmer by reducing the quality and quantity of his fruit crops. It would not be possible to market apples, peaches, and pears free of worms, rot, scab, and so forth, without proper use of chemicals. These are but a few of the problems which the farmer must meet in order to provide consumers with an adequate supply of safe foods of good quality.

Subsequent to the regular hearings on the 1961 budget, the White House announced that the Department of Agriculture would make indemnity payments of around \$10 million to cranberry growers who sustained losses on good and wholesome berries harvested in 1959 because the market for good berries had been destroyed as the result of the unfortunate method of handling contaminated berries, which totaled less than 1 percent of the total crop. As a result of this precipitous action, cranberry sales of good berries were cut by two-thirds during the last holiday season. It is estimated that there will be a carryover of cranberries of nearly 1 million barrels of such wholesome berries into the next season, nearly a full year's crop.

The payment of such indemnities are proposed to be made under clause (3) of section 32, which reads as follows:

Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture on to * * * (3) reestablish

farmers purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption.

It is understood that payments will be limited to wholesome and edible cranberries. Improperly treated berries have been or will be destroyed. The Department justified its action in making these payments on the basis that damage to the market for good berries resulted from governmental action.

In the opinion of the majority of the members of the committee, this entire situation was uncalled for and most unfortunate. It is believed that this damage to an important industry of the Nation would not have developed had it been handled properly at the outset. Such damage can be and should be avoided in the future. If such action becomes necessary in the future, it is to be hoped that the industry affected can be protected and only those who may have violated regulations will be penalized.

Further, it is expected that responsible officials of the two Departments—Agriculture and Health, Education, and Welfare—will work together with private interests so that they can all share in the responsibility of establishing and announcing standards to be followed in the use of chemicals for agricultural purposes.

The committee also feels that the \$10 million indemnity payment announced by the President is not a proper charge against Agriculture and the Department of Agriculture should not be expected to pick up the check for such damages in the future.

AGRICULTURAL RESEARCH SERVICE

Now I wish briefly to discuss the details of the bill before us. We have tried to restrict some of the requests with regard to research.

The committee recommends \$67,934,000 for the research programs of this agency during the fiscal year 1961, which is \$1,047,700 less than the budget estimate. The increase of \$212,410 over funds appropriated for 1960 covers several essential research needs for the coming year.

One of these is research on protection from flood and erosion, which is one of the major needs of our Nation. Through various programs, the Department spends over \$600 million per year for soil conservation and related work. This is exclusive of funds provided to the Corps of Engineers, and the Reclamation Service. Land owners contribute additional amounts.

For several years, this committee has realized the necessity for research to properly support the action programs of the Department. The committee therefore has provided \$950,000 for establishment of four soil and water conservation research facilities; \$600,000 for staffing and operation of the new Ames Laboratory which will be ready for operation in 1961; \$250,000 for expanded research on tobacco; \$250,000 for research on chemicals and biological measures to reduce or avoid hazards from pesticide residues; \$750,000 for additional utiliza-

tion research; \$125,000 to enable the Department to increase research where most essential at existing soil and water conservation research facilities; and \$496,400 to cover the Government's share of employee health benefits pursuant to Public Law 86-382.

The \$950,000 included for additional soil and water conservation projects includes \$250,000 for research on improved practices for conservation farming and ranching in the Southwest; \$350,000 to establish a national center for basic research on soil-water-plant relationship in the Northeast; \$200,000 to expand research on hydrology problems in the Southern Great Plains area; and \$150,000 to strengthen existing research at a land-grant college in the Northwest area where an acute erosion problem is causing the loss of soil at an alarming rate. The Department is expected to put these facilities at the appropriate places. The one for the Northeast is to be located at Cornell University, I understand.

Production of tobacco is one of the major agricultural industries of the country. Tobacco is grown on a total of approximately 1.2 million acres in 22 States and is a major source of income in 8 of these States. Total production of tobacco in 1959 was about 1.8 billion pounds which brought over \$1 billion cash income to producers. Tobacco produces about \$2.5 billion per year in taxes, \$1.7 billion of which goes into the Federal Treasury.

At the present time, the tobacco industry faces a number of problems, including fixed price ceilings, fixed acreage, and increased labor costs, which now total 65 percent of production costs. Work methods used in tobacco production are still almost entirely manual and between 400 and 500 hours of human labor is required to produce and harvest an acre of tobacco. These factors make it imperative that means be found to improve and mechanize production and harvesting methods and techniques. Therefore, the committee has added an additional \$250,000 for such research. These funds should be used for planning, construction, and equipping greenhouses and special laboratories for tobacco research work at a new research center to be established in Kentucky from State appropriations of \$1 million.

One of the most promising solutions to the problem of spray residues may come from the development of chemicals and biological control measures which will not leave spray residues on the food marketed. In view of the need to develop better and safer pesticides and sprays, the committee has included an additional \$250,000 in the bill for 1961 which should be used to evaluate, reorganize, and strengthen the programs of the Department in this general area. Such work should be done jointly with the Department of Health, Education, and Welfare and the various private chemical producers throughout the country. Over \$6 million is now being spent annually by the Department for research on insects and chemicals used in sprays and pesticides. Information furnished to the committee indicates that U.S.

chemical companies are currently spending another \$25 to \$30 million annually for similar research.

The 1961 budget estimate includes an increase of \$2,212,800 for utilization research, \$1,512,800 by direct appropriation and \$700,000 by curtailing various existing research activities so as to redirect funds from farm research to utilization research. The committee recommends the sum of \$900,000 for this purpose, \$700,000 to come from increased appropriations and \$200,000 to be obtained by redirection from farm research. The committee believes, however, that existing stations should not be closed in working out this redirection of funds, also, there should be no elimination of small projects for pecan research and cotton insect research.

The amount included in the bill for utilization research would provide approximately \$200,000 for research on cotton. It is recommended that, from this amount, the Department should make advance preparations for the operation of the Boll Weevil Laboratory authorized last year, by obtaining personnel to be used on existing research projects until such laboratory is ready for occupancy early in fiscal year 1962. It is further recommended that the balance of these funds be used to carry out essential research at branch laboratories located at Baton Rouge, La.; College Station, Tex., and Florence, S.C., and to strengthen mechanical stripper and gin stand research.

The special fund of \$1 million of unused prior year funds established last year to provide part time subprofessional help on a contract basis has been continued for the coming fiscal year.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman has just referred to utilization research. There is a good deal of misunderstanding about what has been done in regard to utilization of research.

Do I understand that the committee has not stopped the work that is now being carried on by the cotton insect laboratories?

Mr. WHITTEN. We certainly have no intention, and our action does not provide for that.

Mr. POAGE. That is the way I interpreted it.

Mr. WHITTEN. In fact, we want it to be carried on. The department in its submission to us had curtailed the production research program some \$700,000. That was by direction of the department. The committee in going over the matter found in some areas it might be possible to consolidate things of that sort, so we went along with a \$200,000 cut, but we had no intention of cutting out the work the gentleman refers to, nor did we have any intention of cutting out the two items involving pecan research.

Mr. POAGE. I refer to the entomology laboratory at Waco, Tex. The work of the committee does not close that laboratory?

Mr. WHITTEN. No; it does not.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Idaho.

Mr. BUDGE. In connection with research, as the gentleman from Mississippi is aware, there has been quite a considerable interest in the establishment of soil and water conservation research laboratories throughout the United States. For the fiscal year 1960, the Appropriations Committee of the other body asked the Department of Agriculture to set up a working force to tentatively locate those research facilities. Under the priority list which was submitted to the committee and in its request to the Department there was an item priority numbered 13, a laboratory at Twin Falls, Idaho, which is in the B category and that follows a laboratory of that category having a priority numbered 10 at Bushland, Tex. It is my understanding that the Bushland laboratory is included in the funds in this bill. Now, am I correct in assuming the committee will give careful consideration in following the priority and considering the establishment of priority 13 item at Twin Falls, Idaho, in its next consideration of this bill next year?

Mr. WHITTEN. May I say to the gentleman from Idaho, I know of his deep and sincere desire to get a laboratory in his area. But I am sure the gentleman appreciates the problem of the subcommittee. We had earlier asked that these laboratories be set up on a regional basis. We were unable to get the Department to say what regions should be included. Later in the other body they submitted a list of priorities, and our subcommittee and the Congress last year went along with trying to set up these priorities.

We are spending over \$600 million a year in soil conservation work. The American farmers and others are putting up additional amounts. Our committee has tried to agree on a regional basis to give the necessary research facilities to back up and implement the problem. We have approached it on a regional basis. I am sorry we did not reach the one the gentleman is interested in. The one in the Northwest has to do with a soil erosion program in another area. However, the Twin Falls, Idaho, facility will have the continuing interest of this subcommittee and will have our consideration in the coming year. It is the next category B laboratory in order of priority.

Mr. BUDGE. I thank the gentleman.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kansas.

Mr. AVERY. I had not planned to interrupt the gentleman until he had concluded his remarks, but since some mention has been made of research facilities I thought this might be the appropriate time to ask a question. I am concerned particularly about an item that has been budgeted for research in pesticides. In another committee, the Committee on Interstate and Foreign

Commerce, there is being considered legislation the necessity for which has been brought about by the action taken by the Department of Health, Education, and Welfare.

But it refers directly back to the pesticide problem. In view of the cranberry incident we had last fall and several related problems, I wonder if the gentleman feels that now is the time to terminate the research that is intended to relieve the very problem in the first place.

Mr. WHITTEN. May I say to the gentleman, I do not think our action has terminated research at all. In fact, the records show that some \$6 million is now being spent by the department in various pesticide investigations. In the present bill we have increased that by about \$250,000 to coordinate their work. In the cranberry incident, it was not a case of the insecticide not having been properly tested. It was a case of less than 1 percent of the total producers using greater quantities, against instructions, of pesticides that were properly cleared.

Now, again, I want to say that this subcommittee is as deeply concerned as is the gentleman and that the cranberry incident was so handled as to practically ruin the market. It should not happen again. But, we do feel that merely providing larger sums of money without coordination is not necessarily the way to answer the problem. In fact, the chemical companies came to me as chairman of the subcommittee and pointed out that they are spending between \$25 million and \$30 million a year themselves in this area. And they said "if the Government is going to take it over, we will quit." Again I say, there is \$6 million in here to carry on that work now. We give them \$250,000 more and ask them to coordinate their efforts with the Department of Health, Education, and Welfare as well as private enterprise, in an effort to handle this problem. But, it is not lack of money that creates the problem.

Mr. AVERY. I probably should not have brought up this cranberry incident, because it brings on a lot of related matters that are not really in question. As I recall the cranberry incident, it is not related to insecticides in the first place. It was a chemical used for a different purpose. But, the point I wanted to make in the area we are moving, there is an increasing use of chemicals, both to stimulate production and also to make for better preservation and to improve attractiveness, sales promotion. Since we are in an area of increasing use of chemicals, the question comes up in my mind whether this is the right time to curtail the research program by the Department of Agriculture, in making and developing better methods to use these chemicals.

Mr. WHITTEN. We have not curtailed it. We have increased it.

Mr. AVERY. But you do not go along with the budgetary recommendation to further extend.

Mr. WHITTEN. That is right. And the support for the budgetary item failed to take into consideration the money that they now have and the need to coordinate their activities. The justifi-

cation was that the private chemical companies were moving out and therefore the Government had to move in. I took it up with the chemical companies and they said, "No, if the Government is going to move in, we are going to move out. We cannot afford to spend \$25 million or \$30 million a year and then when we produce something, have it taken away from us."

So, their argument would not hold water when we took it up with the folks that said it was necessary. But, the problem still comes in the cranberry incident. It was a misuse of a proven chemical, and that is what we find in just about all of these cases. All the research in the world would not control the fellow that takes advantage and violates the rule.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I just merely wanted to say that we had testimony before our committee that showed that the commercial manufacturers of these pesticides and insecticides were spending in the neighborhood of \$25 million of their own money. So that, also, is an adjunct to the work that the Department of Agriculture is doing. I think that it is very well that industry is spending money in their research on items of this kind.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague on the committee.

Mr. HORAN. Mr. Chairman, I wanted to point out that any number of witnesses before our committee in seeking funds used the need for research in pesticides as an excuse for their appropriation request. We felt that there was not a proper amount of coordination between ARS, the land-grant colleges, and HEW and other places where this sort of research is being carried on. If our action does no more than get a proper amount of coordination between the requests for funds and the work that is to be done—and this is very important work—I think we will have served a very useful purpose.

Mr. WHITTEN. I thank the gentleman.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. BROOKS of Louisiana. I have received some protests about the closing of some pecan experimental stations, one down in Louisiana, and especially about the insecticide work that is being done at those stations. Will the gentleman enlighten us on that?

Mr. WHITTEN. I stated earlier that the committee did not intend that that work should be eliminated or curtailed. It is a small item, but very important to a small industry in certain areas. May I say that the research people were under instructions from officials at the departmental level to cut down and they applied cuts in these places. But the committee differed with them. We do not intend for that work to be eliminated.

Mr. BROOKS of Louisiana. In other words, the money is in the bill for that purpose?

Mr. WHITTEN. That is right.

Mr. BROOKS of Louisiana. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, may I briefly run over some of these items?

For plant and animal disease and pest control, the sum of \$52,011,000 is recommended for the coming fiscal year, an increase of \$2,210,400 over fiscal year 1959 and an increase of \$3,235,400 over the budget estimate, largely for the brucellosis eradication program. The amount proposed includes increases of \$75,000 to put on a full year's basis the regulatory activities under the Federal Insecticide, Fungicide and Rodenticide Act; \$400,000 to expand the plant quarantine inspection staff at ports of entry, particularly those of the St. Lawrence Seaway; \$150,000 for staffing the New Ames Laboratory to be opened in 1961; \$2,167,700 for the brucellosis eradication program; and \$306,000 for employee health benefit costs. These increases are offset by decreases of \$888,300 for non-recurring costs of screw-worm eradication and transfer of leasing costs to the General Services Administration.

During the hearings this year, departmental and other witnesses testified to the need for increased quarantine protection to prevent the introduction into this country of plant and animal pests and diseases. The committee recognizes that continually increasing travel and foreign commerce, a part of which is now coming directly into the Great Lakes area, have added to the danger of such introductions. It is expected that these trends will continue.

While the committee realizes the necessity of preventing agricultural pests from gaining entry into this country, it also believes that the problem can be met without steadily rising Federal costs for handling this problem. The Department is directed to work out with the carriers, representatives of industry, and other agencies and organizations a program, first, to place additional responsibility on the carriers to provide absolute notice to all travelers, to the end that any person who may bring prohibited articles into this country will have willfully violated such restrictions; and second, to provide a system of fines which will offset this increasing cost as well as reduce the danger.

In view of the fine relationship between this country and Canada, and the joint interest in this problem, the committee also believes that it would be far better if arrangements were worked out to check all incoming ships at the original port of entry of the St. Lawrence Seaway. This should prove more effective and more economical than the procedures presently contemplated.

The 1961 budget included \$15,582,300 for brucellosis eradication, a reduction of \$1,250,000 below the 1960 appropriation. A great deal of testimony was received from Members of Congress and others as to the urgent need for further expansion, rather than reduction, of efforts by the Federal Government in this area. In addition, information was presented to

show that the reduced level of expenditure proposed for 1961 would not only postpone eventual eradication by many years, but would double or triple the cost of eventual eradication. In view of this very convincing evidence and strong support for the expansion of this work, the committee has included a total of \$19 million in the bill for 1961.

The bill includes \$21,562,000 for meat inspection for 1961. This amount provides an increase of \$237,100 for employee health benefit costs. It permits the continuation of meat inspection activities of the Department at the 1960 level of operation.

The 1961 Budget for the first time proposes appropriations for the use of foreign currencies generated from sales under title I of Public Law 480. Previously these funds have been spent without the usual appropriation controls. The estimates under this head include funds for market development research under section 104(a) and agricultural and forestry research under section 104(k).

The committee recommends \$15,131,000 for 1961, an increase of \$3,074,500 over funds expected to be used for these purposes in fiscal year 1960. Since Public Law 480 was created originally to develop and expand foreign markets for U.S. agricultural products, the committee feels that the full amount is justified. Further, it feels that the use of foreign currencies for market development and related research should have priority over other purposes for which such currencies may be used under the law.

Language was included in the appropriation act last year authorizing the transfer of the land used by the Entomology Research Laboratory at Orlando, Fla., from the Defense Department to the Department of Agriculture. In the report, the committee called on the Department to select possible alternative sites so as to eventually sell this valuable land for commercial use. The 1961 budget proposes an appropriation of \$900,000 to provide new facilities to replace those located on the property at Orlando proposed for sale.

The committee has disallowed the proposed appropriation and has included in lieu thereof language which will permit the sale of these facilities and the use of the proceeds for the establishment of a new laboratory at whatever site the Secretary of Agriculture may determine.

An appropriation of \$31,803,000 is proposed for grants to State experiment stations for the coming fiscal year. This amount includes \$31,553,000 for payments to States and \$250,000 for the penalty mail costs of the program.

The appropriation recommended continues available in 1961 the program provided for 1960, the appropriations for which represent an increase of 150 percent over funds provided for this purpose in 1952.

EXTENSION SERVICE

The sum of \$55,715,000 has been included in the bill for 1961 for payments to States and Puerto Rico, an increase of \$2 million over funds provided for fiscal year 1960.

The budget request proposed an increase of \$2,865,000 for additional personnel to strengthen and expand the rural development program. The increase was requested for additional personnel, to provide rural development help in new areas similar to the work now being carried on in about 200 counties. The committee agrees that some attention should be given to this need in the other counties of the Nation not now covered. It feels, however, that the work should be performed by the regular extension agents and work force in such counties. It does not feel that the building up of a separate organization or additional staff to carry on this activity is advisable. The committee has therefore provided \$2 million for such regular extension workers as may be needed in counties which desire to set up this program.

A number of States have used the substantial increases made in this item in recent years for additional personnel at the State and county levels. Many of these States have failed to maintain the salaries of county agents at a level comparable with agents in other States. In such States, the funds in this bill should be used for the present number of employees at the county level to place salaries at a level comparable with other States. Testimony before the committee indicates that salary increases are needed in 22 States to maintain comparable levels. Further, the disproportionately large amount which has been used for specialists at the State level in recent years would indicate that further increases for that purpose are not warranted at this time.

In discussing economic conditions in agriculture with the Director of the Extension Service during the hearings this year, the lack of interest by young people in farming as a means of livelihood was considered. It is significant to note the gradual decline in agricultural students. Department figures found on page 527, part 1, 1961 hearings, show that only 31,722 out of 411,437 undergraduate students in the Nation were enrolled in agricultural courses in 1959.

For retirement costs for extension agents, the bill includes \$5,875,000 for fiscal year 1961, an increase of \$200,625 over 1960 funds and a decrease of \$86,000 in the budget estimate. The additional funds allowed will be required to cover the Federal share of retirement costs for the increased funds allowed for county extension workers.

The committee recommends \$2,490,000 for penalty mail costs of State extension directors and county extension agents during 1961, as authorized by law. This is approximately the same amount as was provided for fiscal year 1960.

The Federal Extension Service provides for leadership, counsel and assistance to the 50 States and Puerto Rico. As of November 30, 1959, there were 238 employees in this organization, 231 of whom were stationed in Washington.

An appropriation of \$2,255,000 is proposed for fiscal year 1961. This amount provides an increase of \$12,460 over 1960 for employee health benefit costs. It is a reduction of \$137,660 in the budget estimates.

FARMER COOPERATIVE SERVICE

The Service carries on its work through three program divisions—Marketing, Purchasing, and Management Services. On November 30, 1959, the Service had 110 employees, all stationed in Washington.

The sum of \$620,000 is recommended for the coming fiscal year. This includes an increase of \$4,200 for employee health benefit costs. It is a reduction of \$24,650 in the budget estimate.

SOIL CONSERVATION SERVICE

During the current fiscal year, soil conservation assistance has been provided for 30 new districts which have come into existence. It is expected that an additional 20 districts will be organized in 1961, which will bring the total to 2,911 districts by June 30, 1961.

The committee recommends an appropriation of \$83,132,000 for the coming year, an increase of \$810,000 over the 1960 appropriation and an increase of \$250,000 over the budget estimate. Of the increase over 1960, \$600,000 is required to cover employee health benefit costs. This is offset by a transfer of leasing costs of \$40,000 to the General Services Administration. The balance of the increase, \$250,000, is provided to meet the increasing needs for technical assistance, particularly for the 20 new districts expected to be organized next year.

For watershed protection, the bill carries an appropriation for 1961 of \$32 million. During the 1960 fiscal year, a total of \$32,276,964 is available for this program, including an appropriation of \$22,750,000 and a carryover of unused funds from fiscal year 1959 of \$9,526,964. The amount of \$32 million included in this bill, therefore, will make available approximately the same amount for fiscal year 1961. The amount is sufficient to restore the planning funds available in 1960 and to finance a total of 42 planning parties during the next year.

Testimony before the committee indicates that more than 1,200 communities throughout the Nation have requested help in developing watershed plans. It further shows that assistance has been authorized for about 500 of these, that some 200 plans have been approved, and that construction has started on about half of these. In view of the large number of applications still awaiting plans, and in view of the large number of approved projects awaiting construction funds, the committee has increased the watershed protection funds above the amounts requested. In the opinion of the members of the committee, the amount of interest in this program in all areas of the country, and the urgent need for increased attention to the conservation of the soil and water resources of this country, warrant even larger amounts than those recommended in the bill.

For the flood prevention work in the 11 major watersheds authorized by the Flood Control Act of 1944, the committee has included an appropriation of \$18 million, the same as provided for fiscal year 1960.

Legislation just enacted authorizes additional works of improvement in

accordance with the provisions of section 4 of the Watershed Protection and Flood Prevention Act in connection with the 11 watershed improvement programs provided for by the Flood Control Act of 1944. It also authorizes the making of loans to cover the local share of both the flood prevention and non-flood prevention features of these 11 watersheds. Therefore, language has been included to make the flood prevention appropriation available for these purposes.

As pointed out in last year's report, the work under this program has lagged far behind that envisioned when the program was initiated in 1944. It now appears that this flood prevention work, which was originally estimated to take 15 years to complete, will take 40 years or more to complete at the present rate of progress. If slowed down even more, as proposed in the 1961 budget, this time could be extended another 10 years.

Floods in the United States cause damages of more than \$1 billion per year. The Department of Agriculture estimates that about 56 percent of all these damages occur in upstream watersheds, primarily to agricultural interests. It is estimated that the 212 approved Public Law 566 projects covering 12.5 million acres will reduce average annual flood damages of \$16 million by 78 percent. In the 11 authorized flood prevention watersheds covering 30 million acres, the programs, now 30 percent installed, will reduce the \$40 million annual flood bill by more than three-fourths when completed.

The severe April-June 1957 floods in Texas, Oklahoma, and Arkansas caused \$159 million damages in upstream watersheds alone. Small watershed programs completed on less than 2 percent of the area prevented losses of more than \$2 million. If all upstream watersheds had been treated, 70 percent of the losses equal to \$109 million could have been prevented. Even though 56 percent of total flood losses occur in upstream watersheds, Federal appropriations have provided about \$63 for flood control on main streams to every \$1 for upstream watershed flood prevention.

For the great plains conservation program, the bill includes the full budget estimate of \$10 million for fiscal year 1961. This will permit the continuation of the program at the 1960 level of operation.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield on that point?

Mr. WHITTEN. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. In regard to the money for watershed protection projects, does the gentleman from Mississippi now feel that the amount appropriated in this bill is adequate to carry on the program for the projects that have been approved already or are in the final planning stages?

Mr. WHITTEN. I think so; all things considered. In this area, frankly, we could probably use, if we had the personnel, several times the amount of money in this bill. But we have tried to be practical. We restored \$7,250,000 to bring the amount of money up to this year's level. We restored the money that

we felt was necessary to carry on these projects, those that are completed and ready to go. We restored money for the planning parties so that they could proceed with planning. Within limitations that we thought were sound and sensible we restored as fully as we could the moneys we thought were necessary. And it took a good deal of money to bring them up, because they had been cut.

AGRICULTURAL CONSERVATION PROGRAM

An appropriation of \$242 million is included in the 1961 bill for payments earned under the program authorized in the 1960 Appropriation Act. This amount, which is a reduction of \$600,000 below the budget estimates, is believed to be adequate to meet all commitments under the 1960 program. The amount recommended is the minimum which must be provided, however, since commitments under the 1960 program authorization are binding upon the Government and the Congress.

The committee also has restored the authorization for the 1961 program to the \$250 million level. This is the fifth time since 1952 that the budget has proposed to reduce the size of this program. In every year but one, Congress has restored the full \$250 million level of operations. Declining farm income makes it imperative that the Nation continue this program to prevent further depletion of the Nation's soil.

As has been pointed out in prior years, this program provides the primary financial support for the entire conservation effort of the Department. The program has about 1¼ million participants each year, which represents 25 percent of all farming units in the United States. Further, it gets conservation work done at much less cost to the Government than other programs such as the Conservation Reserve and the Great Plains program. The average ACP payment per participant is less than \$250 and the cost per acre averages about 60 cents, as compared with payments under the Great Plains program of \$4,000 per farmer and \$2 per acre.

The budget proposes the elimination of the proviso inserted last year placing restrictions on the distribution of ACP funds among counties. It will be recalled that this language is designed to prevent changes in fund allocations as a means of forcing the elimination of practices which might otherwise be included by a county in its list of approved practices. The committee has retained the language for 1961. It is of the opinion that State committees can make changes from 1958 allocations on a reasonable basis by exercising their authority to reallocate funds among counties as fund requirements change.

AGRICULTURAL MARKETING SERVICE

An appropriation of \$43,153,000 is recommended for 1961, including \$16,315,000 for marketing research and agricultural estimates and \$26,838,000 for marketing services. The amounts proposed are \$11,100 over the budget estimate and \$1,685,900 over the 1960 appropriation.

The increase provided for the marketing research and agricultural estimates appropriation includes \$750,000 to initi-

ate a long-range program to improve crop and livestock estimating services; \$50,000 to provide for agricultural estimating services in Hawaii and Alaska; and \$102,500 for employee health benefit costs.

The increase for marketing services provides \$50,000 for more effective supervision of grain inspection; \$40,000 to strengthen enforcement of the Federal Seed Act; \$31,000 for initiation of market news services in California and Louisiana; \$500,000 for additional poultry inspection; and \$207,600 for employee health benefits. These are offset by a reduction of \$45,200 due to transfer of leasing costs to the General Services Administration.

A total of \$10,796,000 has been included for poultry inspection during the coming fiscal year. This is an increase of \$500,000 over funds provided for 1960 to be used to provide inspection at poultry products processing plants as deemed by the Department to be necessary to the protection of public health. This action has been taken by the committee in order to provide additional protection to the consumers of the Nation.

Considerable testimony has been received by the committee indicating the need for additional research funds for this agency to expand cotton quality evaluation research at Clemson, S.C., and Lubbock, Tex., and to undertake additional types of research to improve cotton fiber, to develop improved instruments for measuring cotton quality, and to learn more about how cotton fiber performs during the weaving and finishing processes.

The committee is unable to provide additional funds at this time for this purpose. It recognizes the importance of this problem, however, and feels that work along these lines should be undertaken during the next year. It recommends, therefore, that the additional work proposed at Clemson and Lubbock be undertaken by the redirection of funds from present research on costs and margins of marketing cotton, and cottonseed economic studies and evaluations. It further recommends later in this report that basic fiber research, instrument development, and studies of weaving and finishing facilities be undertaken on a contract basis through the use of Commodity Credit Corporation funds available for research purposes.

For payments to States and possessions, the full budget estimate of \$1,195,000 is recommended for the coming fiscal year. This is the same amount as appropriated for fiscal year 1960. Payments under this appropriation are made on a matched fund basis to State and territorial marketing agencies for programs designed to get into practical use improved methods and practices in the marketing of farm products.

For the school lunch program, the committee recommends an appropriation of \$110 million for fiscal year 1961. This is the full budget estimate and is the same amount as appropriated for 1960. In addition, the committee recommends the transfer of \$45 million from section 32 funds to be used to purchase meats and other foods needed

to provide balanced school lunches. This will provide a minimum of \$155 million for this program for 1961, which should also be supplemented by other transfers of surplus foods from sections 32 and 416.

This program provided noonday meals to over 30 percent of the Nation's 39,480,000 school children in 1959. The program served an average of over 10.7 million children during the 1959 school year, with a peak participation of over 12 million in 1 month.

Total funds spent for school lunches and the special milk program during the current fiscal year, including Federal, State, and local contributions, and commodities furnished from Federal sources, are estimated at \$1.077 billion. This represents a sizable market for agricultural products and is an important contribution to the health and welfare of the Nation's school children.

FOREIGN AGRICULTURAL SERVICE

The budget estimate provides a total of \$7,176,300 for this activity during the coming fiscal year. Of this amount, \$4,637,300 is requested as a direct appropriation and \$2,539,000 is requested as a transfer from section 32 funds.

The committee recommends funds for fiscal year 1961 of \$6,940,000, an increase of \$928,700 over 1960 funds and a decrease of \$190,300 in the budget estimate. Of this amount, \$4,447,000 is provided by direct appropriation and \$2,493,000 is provided by transfer from section 32. The increase includes an additional \$800,000 to cover by direct appropriation for the first time certain attaché expenses paid in prior years from foreign currency allocations; \$110,000 for new attaché posts in several Eastern European and north African countries; and \$18,700 for employee health benefits.

The foreign currency appropriation, which appears in the 1961 bill for the first time, provides funds for the purchase of foreign currencies for purposes for market development under section 104(a) of Public Law 480 and participation in agricultural and horticultural exhibitions under section 104(m) of that act. Heretofore funds have been used for these purposes from Budget Bureau allocations rather than annual congressional appropriations.

An appropriation of \$14,621,000 is recommended for fiscal year 1961, an increase of \$8,777,622 over funds available for 1960. As explained in connection with a similar item under the Agricultural Research Service, the committee feels that the use of these foreign currencies for the expansion of foreign markets for U.S. agricultural commodities, as intended by Congress when Public Law 480 was adopted, is of primary importance.

These appropriations are intended to give effect to the legislative policy established by the Congress in section 104(a) of the Agricultural Trade Development and Assistance Act, which directs (1) that there be set aside for market development purposes from sales proceeds and loan repayments an amount not less than the equivalent of 5 percent of the total sales made under title I after Sep-

tember 29, 1959; and (2) that special effort be made in entering into sale and loan agreements to provide for sufficient convertibility to obtain the currencies needed for use in countries which offer a reasonable potential of becoming dollar markets for U.S. agricultural commodities.

The countries which offer the best market possibilities are frequently those where sales are made for dollars rather than for foreign currencies under Public Law 480. Therefore, foreign currencies are not always available in those countries where most needed. The funds appropriated by this paragraph are not restricted to the purchase of currencies in those countries which have excess currencies or which may be classified by the Bureau of the Budget as excess to other uses. Such funds may be used to purchase the currencies of the countries where market potentials exist or to purchase currencies which are convertible into the currencies of such countries.

In order to make certain that foreign currencies are available in those countries which market potentials and where market development work is most likely to be effective, the committee has included language in the bill to set aside currencies for this purpose as provided by the amendment to section 104(a) of Public Law 480 adopted last year.

COMMODITY EXCHANGE AUTHORITY

The bill carries an appropriation of \$930,000 for fiscal year 1961. This is a reduction of \$11,325 in the budget estimate. The increase of \$20,500 includes \$14,000 to expand investigations of abuses and unlawful market practices, and \$6,500 for employee health benefit costs.

Recent investigations of trading on three different commodity exchanges have revealed rather widespread trade practice violations on each of them. The increase proposed will permit more frequent investigations of these markets and more effective enforcement of the Commodity Exchange Act.

COMMODITY STABILIZATION SERVICE

For acreage allotments and marketing quotas, the full budget estimate of \$40,135,000 is provided for 1961. This is a decrease of \$400,000 below funds provided for fiscal year 1960, including \$1,400,000 appropriated in the Second Supplemental Appropriation Act, 1960.

In addition to other activities of this program, the funds allowed will enable the Department to check up to 75 percent of the upland cotton crop during fiscal year 1961 as a basis for issuance of marketing certificates, as required by law.

For the sugar act program, the committee recommends the full budget estimates of \$74,500,000 for 1961, an increase of \$3 million over the 1960 appropriation. This increase for mandatory payments to sugar producers is based on a projected increase of 287,500 tons of sugar in 1960 over 1959 production.

An appropriation of \$310 million is provided to pay off obligations incurred under 1960 and prior year conservation reserve programs. This is a reduction of \$51,783,000 below the budget estimate

and is \$25 million below funds provided for fiscal year 1960.

Justifications presented to the committee indicate that a balance of \$30 million of prior year appropriations will be available in 1961 for payments to producers. The 1961 appropriation has, therefore, been reduced by this amount. Further, funds included for Commodity Stabilization Service operating expenses at the national, State, and county levels appear to be overstated in the budget and have been reduced accordingly.

In a report released last December, the Comptroller General of the United States stated that 5.4 million acres, or 23 percent of the land retired under the conservation reserve had no history of crop production in prior years. He further stated that, based on a national average rental rate of \$10 per acre, the payments on such land have amounted to \$54 million annually, or about \$270 million over the 5-year average life of the contracts. The committee is gratified to learn that, beginning with the 1960 contracts, greater restrictions have been placed on eligibility requirements for land placed in the conservation reserve. It is disappointed and shocked by the fact, however, that such large sums of money have been expended without real reduction in production.

In view of the findings of the Comptroller General, the committee contemplates that the Department will review all contracts now in force and will use every means available to recover in such cases. Where there have been misrepresentations as to prior production records, or other substantial misrepresentations, contracts should be canceled and money erroneously paid should be recovered. Where contracts represent a bad financial arrangement for the Government, even though valid, efforts should be made to work out a cancellation arrangement and settlement in order to avoid further expense to the Government. In expectation of some savings from such an effort, the committee has reduced the 1961 appropriation an additional \$20 million.

The legislative authorization for this program expires at the end of the current year. Therefore, no authorization is included in the bill for a 1961 conservation reserve program.

FEDERAL CROP INSURANCE CORPORATION

The 1961 bill carries an appropriation for this program of \$6,376,000, which is the same amount as was provided for the current fiscal year.

In addition, authority is provided for the Corporation to spend \$2,630,000 from its premium income for administrative costs in fiscal year 1961. This provides an increase over 1960 of \$300,000. Employee health benefit costs will require \$31,400 of this amount. The balance is required to expand this program to 35,000 new crops and 15 new counties in the coming year.

The program is operating in 865 counties in fiscal year 1960 and is expected to be extended to 880 counties in 1961. The program for 1961 contemplates 425,000 crops insured as compared to 390,000 in 1960. During the 11 years that the program has been operating on

a limited experimental basis, premiums have exceeded indemnities by about \$2 million.

RURAL ELECTRIFICATION ADMINISTRATION

The 1961 budget proposed authorizations of \$110 million for electrification loans and \$80 million for telephone loans. No contingency fund was included. The committee recommends the full budget estimate for both programs. It further recommends a contingency fund of \$50 million for each program.

It is estimated that the Department will begin fiscal year 1961 with \$235 million of electrification applications on hand and will receive further applications during 1961 of \$217 million, making a total of \$452 million for consideration in 1961. It is further estimated that \$110 million of prior year loan funds will be carried over into fiscal year 1961. This carryover, plus the \$160 million recommended in this bill—including the contingency fund—will provide a total of \$270 million to meet this need in 1961. A total of \$245 million of electrification loans are expected to be made in the current fiscal year.

For the telephone program, it is estimated that applications totalling more than \$135 million will be on hand at the beginning of fiscal year 1961 and that additional applications of \$120 million will be received during the year, making total applications of \$255 million for consideration in 1961. The amount provided in the bill, \$130 million—including the contingency authorization—will meet about half of this need. Telephone loans will total \$105 million in fiscal year 1960. There will be no carryover of 1960 telephone loan funds into 1961 fiscal year.

Collections on electrification loans in 1960 are expected to be \$157 million. This amount should be even larger in fiscal year 1961, and should equal or exceed the \$160 million authorized for loans in the bill for 1961. The repayment record of this program is still amazingly good, despite low farm income. Delinquencies of more than 30 days are only \$400,000—about thirteen-thousandths of 1 percent of loans outstanding.

The full budget estimate of \$9,632,000 is proposed for administrative expenses for the coming fiscal year. This is the same amount as appropriated for fiscal year 1960.

FARMERS HOME ADMINISTRATION

For the lending programs of this agency for fiscal year 1961, the bill includes total loan authorizations of \$227 million. This authorization includes \$26,900,000 for farm ownership loans, \$197,100,000 for farm operating loans, and \$3 million for soil and water conservation loans. The amounts recommended for ownership and operating loans are the same as the amounts to be loaned in fiscal year 1960. In addition, the bill includes a \$40 million contingency authorization. Not to exceed \$5 million of this may be used for farm ownership loans and the balance is available for the farm operating loan program.

Evidence before the committee indicates that credit for agricultural pur-

poses is very tight and that interest rates are increasing rapidly. In many areas of the country, commercial credit is no longer available to farmers. It is reported that some production credit associations of the Farm Credit Administration are charging up to 8 and 9 percent for agricultural credit, and the general average appears to be between 6 and 7 percent.

These factors have forced many farmers to turn to the Farmers Home Administration which was established to provide credit to farmers who had no other source of credit. It is to meet this increasing need that the committee has restored the 1960 level for loans and has provided the contingency authorization mentioned above. The committee feels it essential that this organization be in a position to assist in the adjustment many farmers are having to make due to depressed conditions in agriculture. The committee notes that the full \$20 million contingency provided for 1960 has been used and more is needed.

Of the original authorization of \$450 million provided in Public Law 1020 approved August 7, 1956, for farm housing loans, an unused balance of \$297 million is expected to be available in fiscal year 1961. The Department estimates that it will use only \$25 million of this amount in the coming year. The balance of the authorization will be available, however, if needed to meet unanticipated demands for farming housing loans.

It has come to the attention of the committee that this organization has established two sets of standards for housing loans—one set for counties which are participating in the rural development program, and another set for the other rural counties of the Nation. Many of the members of the committee feel that citizens of other than rural development counties should have the same opportunities and directs the Department to change its practices and procedures to that end.

The committee has approved \$30,500,000 for the administrative costs of this program for fiscal year 1961. This is \$244,750 less than appropriated for the current year and \$967,650 less than the budget estimate. In addition to this appropriation, this organization will also have \$1 million available in 1961 from the farm tenant mortgage insurance funds for administrative expenses. Also funds for administrative expenses are available from the disaster loan revolving fund as needed. In 1960, transfers for administration of disaster loans will exceed \$3 million.

While the total loan volume of this agency continues to increase due to reduced farm income, there are still a number of areas where there are few applications and little or no need for FHA field offices. The administrative funds have been reduced, therefore, with the request that the Administrator re-examine his field operations so as to reduce or eliminate offices wherever possible.

OFFICE OF THE GENERAL COUNSEL

The sum of \$3,358,000 is recommended for fiscal year 1961 for this office. The increase of \$195,975 above the 1960 appropriation is provided to meet the employee health benefit costs of this organization and to handle the increased workload related to the legal work of the various marketing and regulatory activities of the Department.

OFFICE OF THE SECRETARY

The committee recommends the full budget estimate of \$2,899,500 for the coming year. This is an increase of \$18,500 over 1960, all of which is required to meet employee health benefit costs in fiscal year 1961.

OFFICE OF INFORMATION

The bill for fiscal year 1961 includes a recommended appropriation of \$1,478,000 for the work of this office. This is an increase of \$46,335 above 1960 funds, which includes \$6,335 for employee health benefit costs and \$40,000 to meet the increased demands on this office for information services, including, first, policy clearance and review of processed publications; second, regionalized radio tape service; and third, cataloging and distributing agricultural photographs.

Considerable interest has been expressed by Members of Congress and others in the 1959 yearbook called "Food," in view of its appeal to city consumers as well as agricultural people. The demand has become so large that a reprint appears necessary. It is estimated that it will cost \$180,000 for a full reprint or \$90,000 for half an edition.

The sum of \$213,000 is included in the bill for printing of an agricultural yearbook. The committee recommends that half an edition of "Food" be reprinted and that the number of copies of the 1961 Yearbook on seeds be reduced to permit publishing and release within the remaining funds available for yearbook purposes.

LIBRARY

The sum of \$895,000 is proposed for 1961 by the committee. This is an increase of \$63,100 over 1960, which includes \$6,880 for employee health benefit costs and \$56,220 for (a) processing gift and exchange material and making it available for use, (b) improving bibliographic service, and (c) providing for additional purchases of publications.

In order to meet the research needs of the various divisions and agencies of the Department adequately, some additional staff is required to make books and publications in the library more readily accessible and to assist scientists and researchers in locating material needed. Therefore, the committee has approved the increases proposed in the budget for 1961.

COMMODITY CREDIT CORPORATION

The sum of \$1,226,500,000 is recommended for restoration of capital impairment of the Corporation. This includes \$632 million for realized losses

through June 30, 1959, and \$594,500,000 for losses incurred through December 31, 1959. This is a reduction of \$93,500,000 in the 1961 budget estimate.

A breakdown of the realized losses for the fiscal year 1959, for which \$575 million was provided in the Second Supplemental Appropriation Act, 1960, and \$632 million, as included in this bill, is as follows:

[In millions]

Price support program:	
Basic commodities.....	\$567
Mandatory nonbasic commodities....	198
Other nonbasic commodities.....	46
Strategic materials.....	-6
Total, price supports.....	
Commodity export program.....	132
Interest, administrative and other (net).....	195
Special milk program.....	75
Total, realized losses.....	
	1,207

Data furnished by the Department shows that \$620 million—about half—of this realized loss is for price support transactions. The balance represents payments to nonfarm people for storage, transportation, administration, and interest.

On March 16, 1960, the Department proposed a lower rate schedule for storing price-support grain. Estimates placed in the record, page 666, part 3, 1961 hearings, indicate that an estimated \$98,500,000 can be saved if this reduction is put into effect. With the expectation that the Corporation will reduce storage charges as proposed and otherwise improve storage practices during the coming year, the committee has reduced this item by the estimated saving of \$98,500,000.

The basic charter of the Commodity Credit Corporation contains authority for research on commodities with which it deals. One of the purposes of such research is to minimize or eliminate the losses on commodities in CCC inventories. Information furnished the committee shows that CCC funds are now being used for research on grain. In 1959, \$146,575 was used for this purpose and it is estimated that \$142,100 will be spent in fiscal year 1960.

The committee believes that the Corporation should continue this type of research, particularly with reference to the major commodities. It also feels that contracts to meet specific problems are much more sound than an overall increase of permanent employees for this type of work. It believes, however, that such research activities should be handled so as not to incur unusually excessive costs or endanger the market for existing business concerns for any industrial products involved.

Appropriations totaling \$1,443,634,000 are recommended to reimburse CCC for the cost of these various special programs through June 30, 1960. The amount recommended is an increase of \$175,536,500 over the appropriation for

this purpose for fiscal year 1960. A further breakdown of costs for fiscal years 1959 and 1960 and funds recommended for 1961 is as follows:

Project	1959 (1958 costs)	1960 (1959 costs)	1961 (1960 estimated costs)
International Wheat Agreement.....	\$80,800,000	\$47,404,779	\$32,572,000
Emergency famine relief to friendly peoples.....	119,270,000	96,601,678	107,094,000
Sales of surplus agricultural commodities for foreign currencies.....	1,033,515,000	968,016,000	881,000,000
Grain for migratory waterfowl feed.....	18,506	17,363	18,000
Transfer of bartered materials to supplemental stockpile.....	82,250,335	129,000,000	422,950,000
Advances to Agricultural Research Service for animal disease eradication activities.....	19,390,100	1,036,192	-----
Advances to Agricultural Marketing Service for classing cotton and grading tobacco.....	1,510,870	608,926	-----
Unobligated balance.....	-----	25,412,562	-----
Total appropriation or estimate.....	1,336,754,811	1,268,097,500	1,443,634,000

As has been pointed out previously, these activities are carried on outside of the regular functions of the Corporation. Its funds and facilities are used merely as a convenient means of financing these programs. They are not related in any way to the price support program of the Corporation.

The bill for 1961 includes an authorization of \$44,726,000 for administrative expenses of the Corporation during the coming fiscal year. This is an increase of \$2,326,000 over the 1960 limitation and is \$3,702,000 less than the budget estimates.

The sum proposed includes an additional \$326,000 for employee health benefit costs and \$2 million to provide a contingency reserve to enable the Corporation to meet unforeseeable increases in workload during the next year.

The heavy workload volume of the new cotton program which was begun in 1960 is expected to continue in 1961. Acquisitions of grain in 1961 are estimated to be heavier than in 1960 due to a 384 million bushel increase in takeovers from the 1959 corn crop; wheat loans, acquisitions and disposals in 1961 are also expected to exceed those in 1960.

Since price support is mandatory for many commodities, and the volume of loans and purchases cannot be controlled, the provision of a contingency reserve as mentioned above appears necessary.

FARM CREDIT ADMINISTRATION

The bill includes an administrative expense limitation of \$2,480,000 for the Farm Credit Administration for fiscal year 1961, which is the amount included in the budget estimates. The increase of \$170,000 over the 1960 limitation is required to cover the full year cost of the transfer of 37 employees from the Federal Land Bank payroll to the Farm Credit Administration payroll authorized by the Farm Credit Act of 1959. These are employees of the Farm Credit Administration who have been paid by the Federal land banks as a matter of convenience. No increase in cost or number of employees is involved.

The bill also includes language which authorizes expenditures necessary in the liquidation of the Federal Farm Mortgage Corporation and the sale of its mineral reservations. All Government capital has been repaid.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. WHITTEN. I yield to the gentleman.

Mr. YATES. The committee's report on page 11 touching on storage costs raises a question in my mind, and that is this. Can the gentleman give any reason why a limitation should not be placed in this appropriation bill which would require funds that are expended to be used first for Government storage of surplus commodities rather than permitting it to go to private warehouses?

Mr. WHITTEN. It would be pretty hard to reach what you are talking about mechanically. This is a corporation that under the basic law has full authority to operate as a corporation, to sell and to buy. A limitation on the use of administrative funds probably could be worked out, but the Department, after our hearings and after we discussed our investigators' report, on March 16 announced it was cutting the rates back.

We approached it that way because there is such a wide variety of different situations and different kinds of things. We felt we were not in a position to write out the details of a specific contract in a specific area.

Then we implemented that by failing to restore \$98.5 million which they had justified for carrying storage at the present rate. I do think under the present circumstances that is sufficient.

In our report we further told them that under the law, which states that they shall carry on an effective and efficient operation, we feel they should keep Government warehouses filled first in order to carry that out. I would say that we have gone far enough for the moment. If they do not carry this out, I would certainly be glad to cooperate with the gentleman next year to see that it is done.

Mr. YATES. I am glad the gentleman made that last point, about using Government warehouses first. I did not see that in the report. The language of the report on page 12 states:

It is the opinion of the majority of this committee, in view of the obligation of the officers of the Corporation to protect its assets and thereby the taxpayer, that these actions do not constitute "effective and efficient" conduct of the Corporation's business.

Does the gentleman indicate that the inference to be drawn from this language is that Government warehouses

should be used first before private warehouses are used?

Mr. WHITTEN. Let me put it this way: If the Corporation owns a warehouse and can keep its grain in its own warehouse, certainly we do not think it should keep its own space empty and pay somebody to store the grain. At the moment I do not see that in the report, but it is in the report.

Mr. YATES. Stated specifically?

Mr. WHITTEN. Yes.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. BROWN of Ohio. I read with a great deal of interest the report on pages 11 and 12 with respect to storage costs. Was this report made before the Commodity Credit Corporation, or whoever it was, made the cut in storage cost to eliminate the big profiteers and help the little elevator operators in some States?

Mr. WHITTEN. This report was written subsequent to the Department's original pronouncement. The course of events was that our committee had an investigation made. We took it up with the Department on February 3, and on March 16 they made their announcement.

They called me and asked if we would support them in bringing the cost down. I said that I would for myself but I could not speak for the committee. Before in the report we call on them to cut costs. We give them considerable latitude. We also mentioned farmer-owned storage. The farmer has to take his storage the first year. He has to take that loss. So we wrote our language in the report as support for the announcement.

Mr. BROWN of Ohio. We have in Ohio small elevators. We produce a grade and type of wheat that is not in oversupply, but it is used for the making of flour and the grain goes in and out of these elevators rather rapidly. I am advised that the average profit of the elevator operators in Ohio is only between 4 and 5 percent. There has been no profiteering. I am also advised, as late as this morning, that the cost support cut of 19 percent on all elevator storage rates will just simply close a lot of the small warehouses—and we have no large terminal warehouses in Ohio—the small elevators, and the farmers will have no place to take their grain.

Mr. WHITTEN. May I say to the gentleman, we do not take credit for nor do we underwrite the department's method of handling this. For instance, we see some sense in a uniform grain storage rate for uniform warehouses. Personally, I cannot see that you ought to pay the same rate to a fellow who can liquidate the total cost of his warehouse in 16 months as one or two of them have done as to an established warehouse that gives you full protection.

What we are trying to do is to point out the things we think have been poor business. We point out the law which says this must be carried on in an efficient manner. That means pulling the costs down but giving them latitude as to how to do it. This straight across—

the-board cut, to my mind, is not the way they should have handled it. But the fact I differ with them is not surprising, because I have differed with them many times as the gentleman knows.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield myself such time as I may require.

(Mr. ANDERSEN of Minnesota asked was given permission to revise and extend his remarks.)

GREEN ACRES PROGRAM

Mr. ANDERSEN of Minnesota. Mr. Chairman, I would like first to say it is a pleasure for me personally to work under the chairmanship of a gentleman such as Mr. WHITTEN, of Mississippi, and to be associated with a man like WALT HORAN, of Washington. By the way, JAMIE and I have been on this particular subcommittee for 17 years. We are almost making a career out of it. We have had the company of Mr. HORAN there for about 15 years and Mr. MARSHALL, another very fine gentleman from my own State, has been around for some 12 years. Our able colleague from Kentucky, Mr. NATCHER, has been with us on the committee for about 6 years and we have two comparatively new members, our colleagues the gentleman from New York [Mr. SANTANGELO] and the gentleman from Illinois [Mr. MICHEL]. It is a pleasure to work with these gentlemen. I have always found them eminently fair, and I want to preface the remarks I am about to make by expressing my sentiments toward my fine colleagues on the subcommittee.

DEPLORABLE CONDITIONS OF OUR FARM ECONOMY

Mr. Chairman, the deplorable conditions of our farm economy discussed so eloquently by the gentleman from Mississippi [Mr. WHITTEN], who is chairman of our Subcommittee on Agricultural Appropriations, and the contents of our committee report, together with the accompanying bill, should be sufficient cause for the most serious concern on the part of every Member of Congress.

Words alone, written or spoken, cannot fully and properly describe the plight of several millions of farm people who during the last 10 years have seen prices go steadily up on the things they buy and as equally steadily down on the things they sell. Sleight-of-hand juggling of farm income figures cannot conceal the fact that our farm economy is in difficult straits and that the time for constructive and remedial action is long overdue.

In the last 10 years our gross national product has risen from \$382 billion to \$480 billion; national income has gone up from \$217 billion to about \$400 billion; labor income alone has climbed from \$175 billion to about \$280 billion; hourly earnings in all manufacturing jobs have gone up from \$1.46 in 1950 to \$2.28 today; and in virtually every segment of our economy, with the exception of agriculture, we have seen similar rises and aside from a few chronically depressed areas the whole Nation has prospered.

But look at agriculture. Net farm income stood at \$13.8 billion in 1949 and the latest report shows net farm income has dropped below \$11 billion. If there was ever a famine in a land of economic plenty, such a famine exists today among the farm people of our Nation.

We expend a considerable amount of money for various farm programs, many of which are actually for the primary benefit of consumers, but the one big item which relates itself directly to farm income is the appropriation to restore the capital impairment of the Commodity Credit Corporation.

The Commodity Credit Corporation is the banker for our price support operations. For ready understanding of the purposes of agricultural price supports I might describe them as the equivalent for farm people of minimum wage laws, unemployment insurance, labor management agreements, et cetera, for the protection of labor income. Unorganized and without the potent weapon of the right to strike, farm people must of necessity look to the Federal Government for a measure of assistance in their efforts to obtain a fair and equitable return for their labor, investment, and management ability. This we call parity.

In the bill before us there is an item in the amount of \$1,325 million to restore the capital impairment of the Commodity Credit Corporation and this represents the losses sustained in our price support operations during the last fiscal year. Last year we appropriated \$1,435,400,000 for this purpose; the year before \$1,760,400,000; and the year before that \$1,239,800,000.

In the last 5 years we have sustained a total loss of \$6,689,900,000 in our price support operations, and in those same 5 years net farm income has dropped a full half billion dollars. Although it should be obvious to everyone that our programs of price supports are not doing the job, I shudder to think where our farm economy would be today if we had not provided at least this measure of protection.

As ranking member of the Subcommittee on Agricultural Appropriations, as a Member of Congress representing a great agricultural district, and as a man conscious of the fiscal implications of the bill we bring before you, I must report that the rise in costs to the public in recent years has been accompanied by a corresponding decline in farm income. We cannot forever expect farm people or taxpayers generally to support such an inadequate and costly program.

Our subcommittee has been fully cognizant of these negative developments. Each year we have conducted extensive hearings—this is my own 17th year on the subcommittee—and this year you will note that our hearings total more than 2,500 pages in length. In all modesty I believe I can honestly say that the seven members of our subcommittee know more about the detailed operations of the U.S. Department of Agriculture and of our farm programs than any other group in Congress.

I believe our subcommittee has taken every conceivable action available to us

in our efforts to cut the costs of these programs and make them more worthwhile to the farm people in whose interests they were first authorized. At the same time, I believe we have exhausted our capabilities and the frustrating experience of spending good money after bad compels me today to bring this whole problem before the Congress in the hope that something constructive might come of the effort.

COMPREHENSIVE NEW FARM BILL

On May 2 of this year I introduced a comprehensive new farm bill—H.R. 12000—together with my able and distinguished colleague the gentleman from Iowa [Mr. JENSEN]. His identical bill is H.R. 12001. This bill was not casually conceived nor was it lightly offered. Speaking for myself, its provisions were based upon many years of service in the Congress, especially as a member of the Subcommittee on Agricultural Appropriations, together with virtually a lifetime of experience as a farmer, and as a farm manager.

As a preliminary to the discussion of our proposal, let us first take a good look at the problem we seek to solve.

From the viewpoint of the American taxpayer, the development of a solution to the farm problem should have the highest priority. Reluctantly but of necessity I must report to the Congress that we now have in Commodity Credit Corporation accounts about \$9 billion worth of surplus agricultural commodities. In the next fiscal year it will cost about \$600 million to store and handle that vast storehouse of agricultural products. Added to this will be the losses through deterioration, market losses, shrinkage, and other factors leading inevitably to a loss to the Public Treasury of probably another \$1 billion.

As a practical matter, we have found from experience that we cannot even give away this multi-billion-dollar hoard of agricultural commodities. In the bill before us you will find another item of \$1,468,742,000 to reimburse the Commodity Credit Corporation for various special activities such as Public Law 480, the International Wheat Agreement, and famine relief to friendly countries. Tremendous quantities of American food have moved through church and other charitable organizations from government warehouses into empty stomachs around the world; additional amounts of staggering tonnage have been sold for local currencies which are near worthless to us; and we have thrown wide the door of our food storehouse to needy people both at home and abroad. But it costs money to even give these stocks away and from the viewpoint of the taxpayer this \$9 billion stockpile is and will continue to be a most costly burden.

From the viewpoint of the farmer we purport to help, this stockpile of agricultural surpluses is a two-edged sword striking at the heart of his pocketbook. In the first place, the level of farm commodity prices at a present average of only 80 percent of parity together with the farmer's proportionate share of the total tax burden leaves the average farmer at the bottom of the economic

ladder. In the second place, the tremendous accumulation of farm commodities in the inventory of the Commodity Credit Corporation hangs like a dark cloud over the agricultural economy and eliminates completely any hope for a rise in market prices for farm products.

The proposal the gentleman from Iowa [Mr. JENSEN] and I have laid before the Congress is designed to meet effectively and promptly both of these basic problems of accumulated surpluses and depressed farm commodity prices. Moreover, we seek to accomplish these prime objectives at little or no additional cost to American taxpayers.

The green acres program we propose contains numerous provisions previously advanced by other able and distinguished Members of Congress. The payment-in-kind features, for example, may be found in many bills now pending before the legislative committees. My cosponsor, the gentleman from Iowa [Mr. JENSEN], along with his colleague, the gentleman from Iowa [Mr. HOEVEN], some time ago introduced payment-in-kind bills for corn. The distinguished chairman of my Subcommittee on Agricultural Appropriations, the gentleman from Mississippi [Mr. WHITTEN], and my very able farm colleague the gentleman from Minnesota [Mr. MARSHALL] recently introduced bills to authorize a payment-in-kind program covering all feed grains and wheat.

After studying many of these constructive proposals and gaining from them a number of worthwhile ideas, Mr. JENSEN and I felt that something additional was needed to accomplish a balance between production and market demands and the green acres feature was conceived for this purpose.

Having crystallized our own thinking on the general outlines of a farm measure, we took the idea directly to the farmers who would be affected for their counsel before introducing a bill and the farmers themselves gave us the answers to several questions for which we had been unable to find the answers.

I personally discussed the green acres proposal with more than 400 farmers, ASC committeemen, county agents, conservationists, livestock men, and others representing a cross section of Midwest agriculture. As a result of these discussions, the initial idea was considerably modified and several very valuable improvements were made. For example, we were concerned about the collateral effects our proposal might have upon the livestock industry and I found the answer in a suggestion made by an ASC county committeeman at the last meeting held on the subject.

The Andersen-Jensen green acres program is in a major sense the result of the combined thinking of a cross section of farm people and the leaders of responsible farm organizations, and I want at this time to acknowledge their help and express my personal appreciation for their contributions.

Now, Mr. Chairman, I would like to take a few minutes to describe briefly the various sections of our bill.

Section 2 of the bill provides for a nationwide referendum to permit farmers to determine for themselves whether or not they want this program to go into operation. Since every farmer in the United States who produced wheat, corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed would be immediately affected, all of those producers who produced one or more of these commodities in at least 3 of the last 5 years would be eligible to vote in the referendum. If two-thirds or more of the producers voting in the referendum favored the program presented to them, it would be in effect the following crop year and thereafter unless the Congress authorized and the Secretary of Agriculture conducted another referendum on this or a modified program.

I will discuss the other sections of the bill upon the assumption that the entire program would be approved in the referendum. If farmers voted to the contrary, the entire measure would be inoperative.

GREEN ACRES PROVISION

Section 3 covers the "green acres" provision and is the cornerstone of the entire proposal. Beginning with the 1961 crop, all producers of the commodities enumerated earlier would be required to put at least 20 percent of their total cropland under green cover. Farmers would receive no direct compensation for so doing, and they would be free to do anything they wanted to with these green acres other than the production of nonconserving crops. They could graze it, cut hay off of it, put it into wildlife cover, and so forth. The principal stipulation would be that it must be under green cover and not in the production of nonconserving crops.

The 20 percent figure in our bill is not a precise figure which we have determined to be the exact minimum cropland needed in green acres on each farm to do the job. It is, however, the best possible estimate we can make as to a percentage reasonably expected to accomplish the objective we seek of balancing the production of these commodities against consumer needs and market opportunities.

Because this is such an important feature of the bill, you may be interested in the basis for the 20 percent provision and some of the reasons for its importance.

It should be obvious to all that American farmers are producing too much. They were called upon to increase production during the war years, and farm programs in effect in recent years have provided no alternative. We now have in Government ownership \$9 billion worth of agricultural commodities and it is costing us about \$600 million a year for storage and handling. We are simply producing too much and all previous efforts to achieve the desired balance have failed.

The best advice we can obtain together with our own study of official statistics leads us to the conclusion that we have nationwide about 32.6 million too many acres currently producing

wheat, rye, corn, oats, barley, grain sorghums, soybeans, and flaxseed. This is a composite figure which takes into account an estimated deficit, for example, of about 3.6 million acres of oats and 0.9 million acres of flax last year.

Assuming the accuracy of this figure, and we believe it is reasonably accurate, the next step was to devise a sure means of taking this much land out of production at no cost to the taxpaying public.

Nationwide we have about 430 million acres of cropland now in production. About 136 million acres of this cropland is in hay and pasture, or 29.6 percent of the total. However, this percentage of total cropland in hay and pasture ranges from a statewide average of 13.1 percent in Kansas, to 85.8 percent in Vermont. North Dakota averages 15.6 percent of its total cropland in hay and pasture: Washington, 18.9 percent; Georgia, 20.2 percent; Montana, 20.8 percent; Illinois, 21 percent; Colorado, 21 percent; North Carolina, 22 percent; South Carolina, 23 percent; Delaware, 23.1 percent; Texas, 24.3 percent; and Minnesota, 24.3 percent.

Within the States the percentage of cropland in hay and pasture also varies widely. I have listed the States in ascending order up to and including Minnesota because I have more details about my own State. In my district, for example, I have two big-producing counties which have an average of 7 and 9 percent of their cropland now in hay and pasture. Obviously, the range within these counties is from zero to a few dairies with substantial acreage of hay and pasture.

The point I want to make is that we calculated this as best we could and came to the conclusion that 20 percent was about as reliable a figure as could be determined without intensive study of the latest census data when it becomes available. Experts in the field gave us estimates that ranged from a low of about 15 percent to a high of about 25 percent and from this we conclude that our 20-percent figure is fairly accurate. In addition, we anticipate that hearings on the bill would develop information which would either confirm this figure or lead to a more precise percentage for the green acres program.

It is our considered judgment that the establishment of this minimum figure of 20 percent of the cropland on every farm would probably raise the national average about 8 percent which would take out of crop production about 34 million additional acres. If so, and allowing for the fact that a good farmer would often select his poorer land for the purpose, we believe we would be within striking distance of balanced production.

MUST BE ABSOLUTELY ENFORCEABLE

One further point on this section. Everyone we discussed this with advised us that it must be absolutely enforceable. To make it effective we have put some real teeth into it by providing a penalty of 50 percent of the total production on any farm not in compliance with the green acres provision. This penalty would be in the amount of one-

half the value of the violator's total production the year of his noncompliance and we believe there will be little or no noncompliance.

Section 4 provides a vital incentive insofar as farmers and our rural economy are concerned. Under this section price supports on all the commodities listed would be set at 80 percent of parity the first 2 years, at 85 percent the next 2 years, and at 90 percent of parity thereafter. If our calculations are accurate, and we believe they are, the market will rise steadily in the next few years and the level of price supports will follow it up. In this section we propose in 5 years to restore the general level of farm commodity prices to the level from which they have fallen steadily in the last 10 years. The step-by-step increase will avoid sharp disruptions in our whole agricultural economy and we believe it is entirely practical to move back up in this manner.

PAYMENT-IN-KIND

Section 5 contains the provisions for the liquidation of present surpluses; the maintenance of an adequate supply for the protection of consumers, world markets, and good-for-peace programs; and the balancing of farm production in the future. The payment-in-kind program is to be entirely optional with the producer, but we have purposely set the rate at 80 percent of average, normal yields to make it attractive to producers. In addition, we have set a maximum of 50 percent of any farm which may be temporarily retired from production in the interests of farm families and the local economies. I have never wanted to see whole farms retired from production for any reason and we propose to prevent that in this program.

As one of the original coauthors of the conservation reserve program, I have consistently opposed the retirement of whole farms via this program.

As is provided in most of the other payment-in-kind proposals, our Bill calls for a complete retirement of the acreage for which 80 percent of normal yield certificates are issued. These certificates will be valued as of the time of issue and will be completely negotiable. They can be used as collateral for credit. They can be surrendered in exchange for CCC stocks. They may also be sold to a neighbor or a local elevator for cash. When finally surrendered, these certificates would be exchanged for surplus stocks owned by the Government. However, these stocks would not be eligible for price supports. The retired land may either be put under protective cover with ACP assistance, left black if that is the proper thing to do from a conservation standpoint, or put under wildlife cover. However, no harvest of crops or hay would be permitted except in emergencies authorized by the Secretary of Agriculture.

There is also another payment-in-kind feature in this section relative to the "green acres" retired from grain production under section 3.

To protect the livestock economy against a flood of cheap hay, we authorize an optional 25 percent of normal yield payment-in-kind for the complete

retirement of this land. This has been set at this particular rate so the farmer who has livestock and needs the hay can utilize his "green acres" and the farmer who does not need the hay or pasture can completely retire that land in return for the 25 percent of normal yield payment-in-kind. We also have reason to believe that once the present surpluses have been liquidated this feature alone might well serve to maintain the balance in production we seek under the terms of our Bill. If so, the total cost would be very low because of the relatively low payment rate of 25 percent.

In this section we also afford a measure of protection to the grain trade and storage industry by directing that commodities redeemed with payment-in-kind certificates shall to the maximum extent practicable be from CCC stocks in bin sites or other Government facilities before withdrawing from commercial warehouse facilities. In addition, I would like to report that our Agriculture Appropriations Subcommittee held several meetings in the Midwest on the storage question and we were told by responsible country elevator operators that they very much preferred the movement of free grain to the storage of CCC stocks as the trade in free grain is more profitable to them.

From our inquiries we came to the conclusion that the elevators will find the increased supply of grain in trade channels more to their liking than long-term storage of Government stocks.

This section includes the usual penalty for violations equal to forfeiture of all payments and an additional penalty equal to 50 percent of the amount otherwise due.

Section 6 provides that the acreage diverted either into green acres or by payment in kind shall be in addition to any acreage already in the conservation reserve. In other words, if part of a farm is now in the conservation reserve the balance of the farm would be considered as an entity for the purposes of this legislation and the green acres would have to come out of the remaining cropland in production.

Section 7 assures producers eligibility for ACP cost-share payments on their entire farms, including the green acres and land diverted under payment in kind.

Section 8 provides that the proposed program shall be administered by the farmer-elected committees which are already in existence.

Section 9 directs the Secretary of Agriculture to transmit annual reports to the Congress in order that the operations of the green acres program may be constantly reviewed. In addition, it provides that any increase in the percentage of cropland required under the green acres provision shall first be approved by Congress and then submitted to producers in another nationwide referendum. However, if we have been reasonably accurate in the determination of this percentage, it is unlikely that such action would be necessary at any time in the near future.

Section 10 guarantees to cotton, peanut, rice, tobacco, and wheat producers

that no terms of this measure shall in any way affect their present programs of acreage allotments, marketing quotas, or price supports except for the 80 percent of parity price support floor under wheat.

In the first place, I would not undertake to offer legislation affecting these commodities as I know there are better authorities in the Congress representing these particular producers. However, I do want to call attention to the fact that the green acres program would be of considerable economic value to the producers of cotton, peanuts, rice, and tobacco, from the standpoint of higher price supports for the grains they produce on their farms.

ILLUSTRATIVE CHARTS

That, Mr. Chairman, is a section-by-section summary of the bill. I would now like to call our colleagues' attention to the four charts we have prepared which illustrate the prospective impact of this proposal upon the production and income of a representative 320-acre midwestern grain farm. These charts may be readily adjusted to various crops as well as larger or smaller farms. The 320-acre farm is simply illustrative of the program.

The first chart shows that farm in virtually all-out production in 1960 under the present program. You will note that we have estimated 25 acres for buildings, lots, roads, wastelands, and so forth, and, to be conservative, have shown 35 acres already in alfalfa. On the balance we show 160 acres of corn, producing 9,600 bushels, worth about \$1 per bushel this year; 59 acres of soybeans, producing 1,500 bushels, worth about \$1.73 per bushel; and 50 acres of barley, producing 1,500 bushels, worth about 70 cents a bushel. In the lower left-hand corner of the chart we show an approximation of the surplus produced on that farm, and these figures are based on the actual percentage of each commodity now in surplus production. On the right-hand side of the chart we show the total gross income in the amount of \$13,800 for this all-out production.

The second chart shows that same farm in 1961 under the "green acres" program with 80 percent of parity price supports. Since this is primarily a grain-producing farm, we assume, as an illustration, that the farmer will take full advantage of the program. First, he will have to put a total of 59 acres into the green acres program. For this he may elect to receive the 25 percent of normal yield payment in kind for wildlife cover, or 885 bushels of CCC corn. Then he will be eligible to retire an additional 88.5 acres completely, for which he will receive a payment-in-kind certificate worth 4,228 bushels of corn. On his remaining acres we assume he will plant 100 acres of corn, yielding 6,000 bushels, with a price support of about \$1.30; 27.5 acres of soybeans, yielding 825 bushels, with price supports at about \$2.25 per bushel; and 20 acres of barley, yielding 600 bushels, with price supports at about 96 cents a bushel. At present rates of consumption, this farm would not be producing enough to meet current market demands, and we would begin to eat

into the surplus stocks held by the Government at public cost. From the income standpoint, you will note that the total gross income on that farm would rise* to about \$15,856—an increase of \$2,000 above the previous year with reduced costs of production.

In addition, may I point out in all of these charts that the payments in kind made available to producers would in every instance assure that much minimum cash income regardless of weather or crop conditions. Since these certificates will be issued in the early spring, this cash income will contribute greatly to the whole rural economy and will help insure against local economic disasters as a result of crop failures.

Now, if you will refer to the third chart, you will find that farm producing the same crops as shown on the second chart, but this will be in 1963, when price supports go up to 85 percent of parity and the total gross income goes up to \$17,139—another \$1,300 with no increase in costs of production.

Then, if you will refer to the final chart illustrating the situation in 1965 you will find that we have liquidated the surpluses and that farm is back into full production with 90 percent of parity price supports and a total gross income of about \$20,766. Since the cost of production are comparable with those shown in the first chart for 1960 under the present program, you can readily see that the gross income on this farm will have risen a total of about \$7,000 or more than 50 percent with no additional costs to the producer or the taxpayers. With the surpluses liquidated and supply in balance the operator of this farm will contribute to the total output approximately his proportionate share of the market need and the 90 percent of parity price supports will function as an orderly marketing device at little or no cost to the taxpayers.

Although farmers are at all times to farm as they please under the "green acres" program, it should be noted that after the surpluses have been liquidated there will not even be a payment-in-kind program for those commodities which are not currently in surplus. The green acres provision will remain permanently in effect, except for national emergencies, to help maintain the overall balance of production with the payments in kind operating to adjust temporary imbalances between commodities.

COST LITTLE OR NOTHING

May I also emphasize the fact that the entire program proposed in our bill will cost the taxpayers little or nothing more than the costs of administration and the release of surplus CCC stocks which are worthless for all practical purposes and are actually costing us about \$600 million a year to store. I have not had time to calculate the savings that would be accomplished under the terms of our bill but I can assure our colleagues from my years of experience on the Agriculture Appropriations Subcommittee that the savings in total costs would be enormous, not to mention the nationwide benefits that would accrue from a prosperous and healthy farm economy.

Since the green acres bill was introduced last week, we have had a most gratifying response from other Members of Congress, spokesmen for farm organizations, and the public as a whole. However, some questions have been raised relative to our contention that the program will cost the taxpayers little or nothing other than the costs of administration and I would like to discuss that briefly.

In the first place, I do not believe the costs of administration would be substantially increased over the level of recent years, because we will, by the operation of the proposed program, actually reduce and eventually eliminate some past administrative costs.

For example, the costs of care and custody of commodities in the bin sites throughout rural America will be rapidly eliminated by the distribution of these stocks as payment-in-kind.

As indicated on page 754, part 3, of our hearings, the current annual costs to the taxpayers for handling of surplus wheat, corn, grain sorghum, barley, and rye were as follows: \$717 million for transportation, \$105 million for receiving and loading out, \$415 million for 12 months' storage, and \$192 million for interest at a rate of 4 percent on our total investment in these commodities. In other words, in addition to the initial investment of \$3½ billion in these five commodities, we are faced with an annual cost of another \$1.4 billion bringing our total investment in those commodities to better than \$5 billion. With the green acres program in full operation there should be virtually no surplus production and, if this were the case, we could save the \$5 billion otherwise invested in the acquisition, storage, and handling of these five commodities.

Now, a word about the liberal payment-in-kind proposal in our bill. We have purposely made it liberal and would be willing to set it at a full 100 percent of average normal yield except for the fact that we want to reduce the quantity of grain on the market by that additional 20 percent. We believe the 80-percent figure will be a strong incentive for participation, and that is what we want.

SURPLUS DISPOSAL PROGRAMS

We must not lose sight of the fact, Mr. Chairman, that the \$9 billion worth of surplus agricultural commodities owned by the Government are, for all practical purposes, worthless. Before anyone criticizes our proposal to release these stocks to farmers via the 80 percent of normal yield payment-in-kind route, let me remind them that agricultural commodities are not the only surpluses owned by our Government.

In fiscal year 1959, the Federal Government disposed of more than \$6 billion worth of surplus stocks other than agricultural commodities. We sold \$2.1 billion worth of surplus for a cash price of \$99.6 million. In addition, we sold as scrap for \$66 million another quantity of surplus property which had an original cost of about \$4 billion. On top of that, we gave away by donations to health, educational, and civil defense organizations some \$229.5 million worth of sur-

plus property. In other words, in the disposal of other surplus property owned by the Federal Government we have realized less than 3 cents for each dollar initially invested and that is little short of actually giving it away.

In the case of American agriculture, we propose the exchange of surplus farm commodities—already bought and paid for—in return for a reduction in production in the interests of our total economy.

If the Congress is genuinely concerned about the plight of farm people, we offer a practical and workable program in our green acres proposal.

If the Congress is constructively interested in restoring the rural market for commodities manufactured and processed throughout the Nation, we suggest this means of raising the level of farm income.

If the Congress shares our concern regarding the rising costs of acquiring, storing, and disposing of surplus agricultural commodities, we offer a means of virtually eliminating that costly operation.

If the Congress recognizes the desirability of maintaining necessary reserves for the protection of consumers, for distribution to needy and deserving people at home and abroad, and for the stability of our whole agricultural economy, we present this proposal for balanced production.

If the Congress shares our desire to solve this costly problem of surplus production which depletes our soil and demoralizes our economy, then we ask that consideration be given at this session to the Andersen-Jensen green acres program.

The President in his message to Congress on May 3, 1960, said:

I still believe that America's farmers prefer, as certainly I do, the development of legislation which will promote progress for them toward economic equality and permit them the maximum freedom.

We respectfully refer the attention of the administration to our proposal which we believe will restore our farm economy to its proper level and will do so within the confines of the President's language I have just quoted.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to my good friend from Kentucky.

Mr. NATCHER. The American farmer has no better friend than H. CARL ANDERSEN of Minnesota. It has been my privilege and honor to serve with this subcommittee for 6 years; and during that time I have witnessed the interest of my friend CARL ANDERSEN in all matters concerning agriculture.

I want to commend the gentleman on the fine statement he has made and to inquire as to whether or not in the opinion of the gentleman this is a sound bill from the standpoint of conservation?

Mr. ANDERSEN of Minnesota. I thank my colleague for his very kind remarks; and I may say to him that conservationists have already approached the gentleman from Iowa [Mr. JENSEN] and myself, and they have told us they were delighted with this approach to the

farm problem. It is very definitely a conservation program. That is my answer to the gentleman.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to my chairman.

Mr. WHITTEN. I wish to say to the membership that in all the years I have had the privilege of serving with our friend, H. CARL ANDERSEN, no one has worked more unceasingly for the interest of American agriculture and the American farmer.

CARL ANDERSEN knows farm problems first-hand. He has had many years of experience here, and in the dealings with agriculture his interests have been sincere and never political. I wish to say to him that his bill which he has so ably discussed, in my opinion, would be a very great improvement over the laws we now have.

I do not want to make this comment without including, also, our friend on the Appropriations Committee, the gentleman from Iowa [Mr. JENSEN], the joint author of this bill. I have had the privilege of serving with both these gentlemen. I have served under the chairmanship of CARL ANDERSEN, and it has been said it did not make much difference which of us happened to be presiding officer of the subcommittee. We have worked through and through, and by paying attention here to these two gentlemen because they have sponsored this bill, I do not mean to overlook other members of the Appropriations Subcommittee on my side: FRED MARSHALL, BILL NATCHER, and FRED SANTANGELO for they are sincere members who are interested in the work of agriculture and who give some thought to the economy of the taxpayers as well; nor do I want to overlook my Republican colleagues on the other side, the gentleman from Washington, WALT HORAN, and the gentleman from Illinois, BOB MICHEL. They, too, have this Nation's interest at heart. I want to say that this appropriation bill we have before us today reflects the composite views of this group trying its best to meet the problems as we see them.

I congratulate the gentleman from Minnesota and the gentleman from Iowa for having made this very straightforward statement, in calling the attention of the American public to the need in this area and the fine work in the preparation of their bill.

Mr. ANDERSEN of Minnesota. I sincerely appreciate the remarks of my chairman. May I call the attention of the committee to the fact that it was due to the efforts of Mr. WHITTEN, representing the minority, who joined me when I became chairman of the subcommittee and, we, together with Mr. Hope, of Kansas, put into effect the pilot watershed program without departmental or budget approval. This has now become the small watershed protection program. We commenced in this very subcommittee the small watershed protection pilot program. My chairman had the original nub of the idea and that is the way the gentleman from Iowa [Mr. JENSEN] and I have developed this particular bill.

We are seizing on all the good ideas. We have stayed back on purpose, we have waited to see what other gentlemen produced, and we are trying to bring together in one package the suggestions made by the gentleman from Minnesota [Mr. MARSHALL], the gentleman from Iowa [Mr. HOEVEN], and others. We have taken a number of good ideas from other authors and built them around the mandatory 20 percent that each and every farmer in the Nation must contribute as his share toward a profitable agricultural economy.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Washington.

Mr. HORAN. I want to point out to the Committee that there is a crying need for some approach to a solution of our farm problem that we have before us today. As our chairman of the subcommittee pointed out in his remarks we are picking up the tab for \$481 million for storage alone in this particular bill. It is estimated we will pay out \$612 million next year for storage alone, none of which helps the farmer very much, and it is estimated next year's expenses in the storage field will be in excess of \$700 million.

I want to commend the gentleman from Minnesota for at least coming out with what I think is an idea that ought to be studied fully. I may say to my other colleagues who are interested in wheat and a domestic parity that I am attracted to the outline of a farm program that is outlined in the report.

Mr. ANDERSEN of Minnesota. Will not the gentleman agree with me that we must approach this entire problem of small grains as one? We cannot do it piecemeal. We have found that out.

Mr. HORAN. I realize that there is a conflict in commodities and that does get in the way.

Mr. ANDERSEN of Minnesota. That is correct. I might say for the benefit of the wheat producers and the wheat men in this Congress that every attempt is made to help them. For example, in this bill we do not say that a man once he has a negotiable certificate in the Corn Belt cannot pull out wheat stocks if he wants it for feed, but it will be on a relative price basis, not bushel per bushel. I might also say that the 15-acre wheat producers are not going to bother about producing 15 acres under this bill. Instead they are going to retire it for payment in kind by taking out 30 percent of their land, and they will pull back other commodity stocks. It is going to help every normal wheat farmer in America to eliminate the 600,000 15-acre farmers on a purely voluntary basis. It is going to benefit everyone concerned.

The gentleman from Washington has pointed out that this is one of the big problems facing us today, and the gentleman is absolutely right. Here it is the middle of May and not a worthwhile thing has been done for agriculture. We are trying by pushing this to at least light a fire and get some action so that back my way we will not have the dis-

consolate sort of economy we have today and despondent farmers.

Why, that miserable bill passed here 2 years ago happened to deal with corn. A lot of you gentlemen here voted for it. Mr. CANNON, Mr. BROWN of Missouri, and I and the late Mr. Christopher got up and fought it. We said: "Why reduce the price of corn down to a disastrous level and force the farmer to go out and produce corn from fence row to fence row to make a living?" Now, the only friend I know of in Government or elsewhere for that particular bill is Ezra Benson. He is the only man who still says it is good legislation. I fought then against it and I will fight against any principle utilizing our soil to produce 800 million bushels of corn or any other commodity that we do not need only to put it in tin cans and bring about enormous storage charges and consequent deterioration. It is not a good program for the wheat and corn producers in the Midwest. God help us if that is the best we can do here. That is why I have taken this hour today. And, this is the first time I have taken an hour under this bill, even though I have been the ranking member on the committee for a good many years. The time is getting late. The hour is getting late. Let us remember that.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I would like to commend my colleague and friend from Minnesota for the fine statement that he has made today. I would like to also reiterate that while we drew up the soil bank bill and presented it to the Congress, as my good friend has stated, it was never our intention that entire farms be taken out of production. It was our intention that the production come out of the productive areas of the country to bring about a balanced agriculture. Furthermore, if I might say further, at the time we were working on this bill, we asked the Department of Agriculture for comment on our bill. They sent in a report, and it is interesting to note at this time that they said that in order for that program to be effective it would cost in the neighborhood of \$500 million annually. Since that time we have spent over \$2 billion on a program that is in effect now on conservation reserve, which I personally do not agree with, because it has taken out lots of marginal land. It is not reaching the productive land of this country. We had occasion to visit some of the Midwest areas, and we know that last year we produced a 4-billion-bushel corn crop, the first time in history, in this country. And, they have told us that they were doing everything that they could to add more corn acres in this next year to the production. So I say to my good friend and colleague and Members of the House that next year we will have increasingly more difficulty in corn production, and 2 years from now you can expect the Government to blow its top off if we have anywhere near a normal crop year. My good friend and colleague has recognized that, and he has put in a lot of work on this proposal, as has my good friend, the gentleman

from Iowa [Mr. JENSEN], because both of these gentlemen come from areas that see what is happening to this corn and feed production, and both have been stalwart promoters of soil conservation. They both know by experience that you are placing a burden on the soil, robbing the soil of the fertility to produce commodities that we do not have need for, and unless something unforeseen changes that trend, it will wreck the livestock and poultry industry in this country.

Mr. ANDERSEN of Minnesota. I thank my colleague from Minnesota. And, I say this, that he is absolutely right in his reference to our first idea of what the soil bank should be. The gentleman will remember that he and I were the first ones in the Congress to use that term "soil bank" away back in 1954. It has not operated along the line that the gentleman from Minnesota [Mr. MARSHALL] and I intended that it should be operated, but if it had, we today would not be in the agricultural fix we are in. We never intended that we should take whole farms out of production and destroy the economy of the small communities by two many of these farms going out. We never intended that for a couple of years, at least, the soil bank program should be a field day for speculators.

We thought we had a good idea, but I do not care how good an idea is, Mr. Chairman, if you do not have the proper administration of any program you might as well throw it out of the window. We did not for the first 2 years, at least, have the proper administration of the conservation reserve.

Mr. Chairman, I want to say this further. I do have hopes for the green acres program because I know that the present Secretary of Agriculture will have nothing to do with its operation if it becomes law. He has only a few months left in office.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield further?

Mr. ANDERSEN of Minnesota. I yield.

Mr. MARSHALL. I was going to say that had the proposal that my colleague and I made been put into effect, we would not be facing the problem of a 9 billion bushel surplus in stocks of Commodity Credit, nor would we be paying around \$600 million in storage costs this year. And that \$600 million is more than that program was estimated to cost to do the job when the gentleman and I proposed it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(Mr. ANDERSEN of Minnesota asked and was given permission to proceed for 5 additional minutes.)

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman.

Mr. SMITH of Iowa. First I want to commend the gentleman for coming forward with a bill. There have been so many people who criticize everything that comes up but they never come forward with a bill of their own or with anything constructive. Also I want to con-

cur in what was said by the gentleman from Minnesota [Mr. MARSHALL] and in the gentleman's own comments concerning corn. We are going to have this year alone from the 1959 carryover 600 million bushels of corn. That is one-third as much as was accumulated in all the previous years put together. That is the first year under this program that the gentleman has been talking about.

Mr. ANDERSEN of Minnesota. Will the gentleman further agree that in this crop year 1960 the farmers of America are going to put 85 million acres into corn, and 20 million acres of that we have no need for whatsoever?

Mr. SMITH of Iowa. Seed corn salesmen just this weekend told me that they have sold more than 5 percent more seed corn this year than last year.

Mr. ANDERSEN of Minnesota. The gentleman mentions seed corn salesmen. I had only three objectors among the 400 business people and farmers with whom I discussed this proposal just 3 weeks ago back in Minnesota and Illinois. Two of those gentlemen were big cattle feeders who do not produce enough corn for their own needs. They honestly said that they were afraid that corn was going to go up and they would not make quite so much profit. The other gentleman was a seed corn dealer who was afraid that he would not be able to sell the amount of seed corn he had for several years. But all three of these men did not stop to look ahead into the future.

Mr. Chairman, I want to close on this. Unless we do something about this, the beef cattle men are going to go down with the feed grain people; there is no question about it. Seven years ago I said to Mr. Benson, "Don't you realize that cheap feed will eventually mean cheap livestock?" He said that I was wrong. But I think in the last year or two he has come at least part way toward my line of thinking.

The beef cattle men had better get back of some proposal like this and not insist on 75- and 80-cent corn unless they want to see their whole operation hit the economic skids.

Mr. Chairman, I want to say in conclusion why I am proud to have the gentleman from Iowa [Mr. JENSEN] join me in the introduction of this bill. There has been no man in the Congress more interested in soil conservation than has the gentleman from Iowa [Mr. JENSEN]. All through this green acres bill you see "conservation." I am happy that I have a man of his caliber standing along with me urging the Congress to adopt this proposed legislation.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield further?

Mr. ANDERSEN of Minnesota. I yield further to the gentleman from Iowa.

Mr. SMITH of Iowa. I do want to say, however, that I wish I could share the gentleman's optimism in the idea that there is no one but Mr. Benson for this corn program. I have found quite a few among our colleagues.

Mr. ANDERSEN of Minnesota. If the gentleman will permit, let me say there

are perhaps a few other misguided souls.

Mr. SMITH of Iowa. Mr. Chairman, I have a few questions if the gentleman will yield further.

Mr. ANDERSEN of Minnesota. I am glad to yield.

Mr. SMITH of Iowa. As I understand it, the gentleman does recognize that lower price supports do not actually reduce production because he says you should go to 80 and then 85 and then 90 percent of parity?

Mr. ANDERSEN of Minnesota. Absolutely.

Mr. SMITH of Iowa. Also, as I understand it, you do not have any requirement on the referendum that one must have been a producer of any certain amount of a commodity.

Mr. ANDERSEN of Minnesota. Yes; 3 years out of 5, then that man has the right to vote.

Mr. SMITH of Iowa. In what quantity?

Mr. ANDERSEN of Minnesota. If any man produces wheat, corn, all these other grains, and has a crop history of 3 years out of the last 5, then he is entitled to vote in that referendum.

Mr. SMITH of Iowa. What if I produce only 1 acre?

Mr. ANDERSEN of Minnesota. That is all right.

Mr. SMITH of Iowa. Just any small amount?

Mr. ANDERSEN of Minnesota. That is all right.

Mr. SMITH of Iowa. You can get down to a few stalks.

Mr. ANDERSEN of Minnesota. Not if you get down so far that you are not a farmer. Our bill refers to producers.

Mr. SMITH of Iowa. My point is that there must be some kind of referendum.

Mr. ANDERSEN of Minnesota. That is provided in our bill. I recognize and the gentleman from Iowa [Mr. JENSEN] recognizes that certainly the legislative Committee on Agriculture on a proposition like this will have to work it over. There are many refinements to be made. We do not hold any pride of authorship, but we are holding up this green acres provision as perhaps the answer to the most vexing farm question that has been before this Congress for years. Certainly I would not anticipate that this bill would be voted out without a number of worthwhile amendments. I just hope if it does come in it will maintain in it that green acres mandatory provision, because that in the first place balances production that year with demand. It is the heart of our proposal.

Mr. SMITH of Iowa. I understand according to the gentleman's charts here he is proposing to reduce corn acreage by 40 percent in the first year.

Mr. ANDERSEN of Minnesota. No; there is no such proposal.

Mr. SMITH of Iowa. The charts are not in accordance with that proposal?

Mr. ANDERSEN of Minnesota. That chart is merely representative of a half-section grain farm much like my own farm in Minnesota.

Mr. SMITH of Iowa. The point is, you do have to get rid of the corn in the bin?

Mr. ANDERSEN of Minnesota. After you get rid of the corn in the bin, then the demand in the market is going to take care of all the farmer can produce. Remember, the green acres is still in effect.

Mr. SMITH of Iowa. The gentleman does not think any other program is necessary, then?

Mr. ANDERSEN of Minnesota. No. The green acres will do the job outside of a small Commodity Credit Corporation stock that would take care of the temporary imbalances. Sometimes you might produce 100 or 200 million bushels too much of corn. The price of soybeans would go up. Next year people would go into soybeans or barley where they could make more money. The market would do much to balance production, and a small payment-in-kind program would help make the necessary adjustments.

One of the most attractive features of the green-acres proposal is the fact that it would afford our farmers virtually complete freedom in the operation of their farms.

Mr. Chairman, I yield 11 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HALLECK. As one who raised some question about that poultry inspection bill when it was before the House, and concerned as I was that it would cost a lot of money and it really was not necessary for the protection of the health of the people of the country, I would like to have the chairman of the subcommittee restate the proposition. Do I understand correctly that inspections that have been conducted—that no part of those inspections has shown anything that would be injurious to the public health?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WHITTEN. We have full inspection of the poultry that is handled at time of slaughter. But the law as it stands, beginning July 1, provides that we would have to have an inspector at every further processing plant where there is a piece of meat in the package. And 2 out of 300 have asked for that inspection, because by getting that they get a label. They would like the Government to pick up the cost of it.

Mr. HALLECK. What is that cost per year?

Mr. WHITTEN. About a million dollars. We have learned from the processors that they want it so that they can get a label. But the law is compulsory. It says we have to provide the money. We provide it on this basis and we think that in view of the record this is ample to meet the needs.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HORAN. We felt that what we were facing was almost double inspection of products already inspected.

Mr. WHITTEN. Well, it certainly is, as I see it.

Mr. HORAN. I think the House ought to know that our total bill for meat and poultry inspection is in excess of \$33 million a year, and it is an item that we thought we ought to take a look at.

Mr. JENSEN. Mr. Chairman, at the outset of my remarks I wish to compliment the members of this committee for the good job they have done in bringing this most difficult bill to the floor of the House in the condition in which we find it today. It is a big job to initiate appropriations for the Department of Agriculture, especially under present circumstances.

I have served on the Committee on Appropriations with all the members of this committee, and I hold them all in the highest regard.

I came to Congress with my very able colleague from Minnesota [Mr. ANDERSEN]. We have worked very closely together on all matters pertaining to farm problems, and every other problem that affects the welfare of our country. CARL ANDERSEN is a statesman of the highest order. Also the very able gentleman from Mississippi [Mr. WHITTEN]. I know his heartbeat. I know he is sincere in all of his duties as are the other members of the committee. I hold them all in high esteem.

I am very pleased especially about the appropriations for Soil Conservation Service and Watersheds, for the amount of funds which the committee recommends. America receives more present and long-time benefits from this service than from any other Federal agency. It seems there are some folks in the Department of Agriculture who are not properly sold on the great value of the Soil Conservation Service, because Soil Conservation Service request for funds is regularly trimmed down before it gets to the Budget Bureau. Now I am certain I speak for a great majority of my colleagues on both sides of the aisle when I commend the committee for the amount provided in this bill for Soil Conservation Service. I have never been accused by my colleagues of wasting the taxpayers' dollars, but I try not to be pennywise and pound foolish.

Now, Mr. Chairman, I would like to use the balance of my time to explain our green acres farm program, which is a new approach to the solution of the vexing farm problem, which has, as you know, been proposed by Congressman H. CARL ANDERSEN, of Minnesota, and myself. Mr. ANDERSEN has just most ably and correctly explained our bill to the House in full detail.

Our plan is known as the green acres farm program, and is the result of many months of study, investigation and discussion with scores of farmers, farm organizations, farm editors, county extension agents, ASC and SCS officials, and livestock feeders.

Our bills, which are identical, were introduced on May 1, last. Congressman ANDERSEN's bill number is H.R. 12000, and mine is 12001. We are pleased to report that our bill has already met with much nationwide approval.

In the time allotted me I will point out the most important provisions of our bill.

The cornerstone of our green acres farm program is the requirement, after approval in a single nationwide referendum, that every farmer producing corn, oats, barley, soybeans, flax, and all other feed grains, and also wheat, in order to qualify for the benefits under our bill, must have 20 percent of his cropland in grass, hay, or pasture, green acres, so to speak.

To protect the livestock industry, every farmer will be offered 25 percent of his normal yield in payment-in-kind out of Government surpluses if he completely retires his green acres which constitute 20 percent of his total cropland, or he can use his retired acres for pasture hay, and so forth, and receive no pay on such acres.

Farmers who already have 20 percent or more of cropland under green cover would be immediately eligible for the green acres program.

Congressman ANDERSEN is the top minority member on the subcommittee which appropriates for the Department of Agriculture and all of its programs, and I am next to the top minority member on the full 50-member Appropriations Committee. Both of us have constantly advocated measures to conserve our soil, and to increase the farm income.

Early this year Congressman ANDERSEN, Congressman HOEVEN and I introduced a payment-in-kind bill for corn alone. It won much nationwide approval, and that acceptance led me into this present collaboration with my neighboring colleague, Mr. ANDERSEN, himself a farm operator at Tylor, Minn. I was raised on the farm, and for 24 years dealt almost exclusively with farmers in the retail lumber business in Exira, Iowa, my home, and since coming to Congress I have worked closely with farmers and can understand their problems.

Congressman ANDERSEN recently spent 2 weeks in the Middle West meeting with hundreds of farmers in all lines of production, and with many other interested people, and he is pleased to report that with hardly a single exception they approved our green acres program, said it was economically realistic and predicted its success if made law, which we sincerely hope it will be during this session of Congress.

The best agriculture experts we know have assured us the green acres program would in the first year bring about a balance between production and consumption of these grains. The farmer would make his green acres contribution in return for the other liberal benefits provided in our bill, and which would stabilize all farm prices on a much higher level.

To liquidate the huge price-depressing surpluses now stored at huge cost, we provide an additional payment-in-kind equal to 80 percent of each farmer's average yield for other cropland taken completely out of production, not to exceed one-half of the whole farm. We can afford to pay the farmers liberally for reducing production when such payment is made in kind. The participant can either use such grain, or cash in his

Government certificate at his elevator or bank.

Outside the green acres, our bill provides that each farmer could produce any and all of these grains, and receive a price support of 80 percent of parity the first 2 years, 85 percent the next 2, and 90 percent thereafter. Both ANDERSEN and I have been staunch supporters of 90 percent of parity for basic farm crops. With no surplus production, this price support schedule will cost the taxpayer very little, as you can see, when commodities on hand are used in lieu of cash outlay. The county ASC office has a history record for every farm in their respective county, hence administration costs will be about the same as at present.

In a few years, after present surpluses have been liquidated, American farmers, except for their green acres, could go back into full production with a parity market demand for everything they produce. We must always maintain an ever normal granary as a necessary reserve to protect the public against an emergency.

Figures furnished in support of any proposed farm program are convincingly in favor of the green acre program.

Using a 160-acre Iowa farm, for example, our best estimate of the average gross income for 1960 under the present farm program will be about \$7,000. Under the green acres program in 1961, at 80 percent of parity, we estimate the gross farm income would be not less than \$8,000, with a reduced cost of production due to the decreased crop acreage. In 1963, when price supports go up to 85 percent of parity, the same 160-acre farm will again produce no surpluses and we estimate a gross income of approximately \$9,500. Finally in 1965, that same farm should gross not less than \$11,000 due to increased prices for grain and livestock, and will be back in full production, less the green acres. Supports will be at 90 percent of parity. Production will constantly be in balance with consumption.

Farmers should have first priority to purchase Government storage bins, as such bins become empty.

This increased income is bound to come, not only because of higher grain prices, but also because of the higher hog, cattle, sheep and poultry and egg prices, which higher grain prices will generate. We believe hog prices, for example, will hit a top of at least \$24 per hundredweight within a year after our bill is made law.

It will not be difficult for every farmer to calculate his increased income under the green acres program by applying the above figures proportionately to his own operations; and remember our bill is truly a family sized farm program.

We feel certain that within 5 years after our bill is made law, the green acres program will raise the average gross income on Iowa farms 50 percent, and in other States proportionately, because it will bring about a balance in production, will liquidate the present surpluses, and secure for the farmer and the rural businessman their fair share of our national income.

Congressman ANDERSEN and I, and other proponents of our bill, have urged the Agriculture Committees of Congress to approve our bill and to bring it to the floor of the House and Senate for early consideration, and we hope for its adoption during this session to assure its full operation in 1961. Everyone who is interested in the farm problem should waste no time in letting their Congressman know the kind of a farm program they believe will best solve this vexing problem for them and for all America. We feel certain that after a study of our green acres farm program, it will be the choice of the great majority.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. ANDERSEN of Minnesota. While we were formulating this bill I recall that often the gentleman was concerned about any possible deleterious effect it might have upon beef cattle and beef products.

Mr. JENSEN. Right.

Mr. ANDERSEN of Minnesota. The price of beef cattle and so forth. The gentleman, of course, knows he and I have agreed in our consultations on this with other men that we put the support price on corn up to \$1.30 a bushel instead of 98 cents, which is prevalent now in western Iowa and Minnesota, would make any farmer stop and think whether or not he wanted to increase his hog production because certainly no farmer wants to produce hogs just for the fun of it; it is a lot of work. I have produced a lot on my own farm. Consequently it would mean farmers are not going to produce so many hogs with dollar corn in sight. Then the goal will be about 5 million hogs a year instead of the much higher number that will be produced in 1960.

The fact that 5 million hogs are not produced in turn will help the entire beef market. That is the conclusion we have come to, is it not?

Mr. JENSEN. That is right. Naturally, I am greatly interested in the welfare of the hog and cattleman because the district I have the honor to represent is one of the largest hog producing and cattle feeding areas in the Nation.

Mr. ANDERSEN of Minnesota. And the gentleman's district is also a family-sized farm district?

Mr. JENSEN. Yes; and our bill is purley a family-sized farm program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Iowa.

Mr. GROSS. What does the gentleman's bill do with respect to foreign imports of meat products?

Mr. JENSEN. I wish we could stop that in this bill, but we cannot. That is legislation not appropriations as the gentleman knows we are not a legislative committee. I may say I share the gentleman's concern about the great amount of imports shipped into this country which is helping to depress farm prices no end. I am ready to raise tariffs, and plenty, to protect not only our farmers, but businesses and labor too.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. WHITTEN. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. SANTANGELO].

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, at the outset I wish to pay tribute to the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], for his tremendous work on this subcommittee and for the solicitude he has shown to the members of the committee, and especially to me, not only in the asking of questions in order to educate a city member of the committee, but also to develop a program which will be beneficial both to the farmers and to the consumer.

I also want to commend the ranking minority member, the gentleman from Minnesota [Mr. ANDERSEN], and Mr. MARSHALL, who have taken a city boy in tow in the rural electrification program, in the rice paddies of Asia, and in the pens among the hogs and the pigs and the cattle in Nebraska and Illinois. Likewise, I extend my thanks and appreciation to the gentleman from Kentucky [Mr. NATCHER] for his continual assistance, and help and for the information which is basic to farm problems and which a city representative would not normally understand.

I come to you to talk about a farm appropriation bill and ask you to support it. I support this bill because I believe that it is in the interest of the farmer as well as in the interest of the consumer throughout the United States.

As a representative from the city of New York, I would like to speak to city representatives who I know feel erroneously that there has been a giveaway to the farmers and that the farmers are getting rich in the collection of storage charges of surplus grains. Insofar as payments for storage are concerned, let me state to you gentlemen from my observation and study of conditions in Illinois and in Iowa and in reading the various committee reports, that it is not the farmer who is collecting the high storage payments. Those who are profiting from the high and excessive storage rates which are a disgrace to this administration and to the United States belong to an industry whose profits have been so abnormally high that a new gang of "quick-buck" artists have entered into the industry. Because of our Government's guarantee of storage business and administrative policies which direct that grains be stored in commercial bins instead of in Government bins regardless of the availability of Government bins storage costs have zoomed to \$600 million a year. This Government policy must be ended.

Perhaps in the past there have been some farm programs which have been wasteful and did not accomplish the desired result. When we eliminated the acreage reserve program, we eliminated, in my opinion, a very expensive and wasteful program. There are still some wasteful farm programs, but as I see it, they are at a minimum. The com-

mittee made some recommendations along these lines.

This appropriation bill reduces the request of the President's budget totaling \$4,135,263,190 by \$170,481,690 and recommends the sum of \$3,964,781,500. The committee has decided not to restore the capital impairment of the Commodity Credit Corporation to the extent of \$98,500,000. The committee has demanded an investigation of the storage rates, obtained such an investigation, and after the report was submitted to the committee and discussion had with the Department of Agriculture, the Secretary of Agriculture announced that despite the opposition of the warehouse industry, that it is reducing storage rates by 19 percent, which will thereby reduce the total cost of storage rates by \$98,500,000.

I would like to point out to the city representatives that this bill is approximately \$4 billion. The farmer receives direct price support, which is measured by the amount we restore the capital of the Commodity Credit Corporation. The total amount of capital impairment which we have restored in this appropriation bill amounts to \$1,226,500,000, which is the direct support which the farmers receive in one form or another. The remaining sum contained in this appropriation bill is spent for benefits which are mixed. Benefits which not only the farmer, but also the city worker and friendly foreigners receive.

The mixed benefits can be classified in four categories. One is the improvement and protection of the public health, such as the inspection of meat and poultry, where we have appropriated \$21,562,000 for meat inspection and \$500,000 more than last year for poultry inspection. We have, furthermore, the school lunch program with its direct appropriation of \$110 million in cash and \$45 million by transfer of funds from section 32, in addition to transfer of surplus foods. We also have, as you know, the special milk program, costing \$75 million, which goes to many people on public assistance, and we have donations of food supply to needy folk.

A second category is the improvement of international relations and in defense, such as donations to needy people abroad, emergency famine relief, sales for foreign currency and bartered materials for stockpiles, such as wheat to Brazil in exchange for thorium and rare earths. While we must restore the capital impairment of the Commodity Credit Corporation for these items, and these items are listed in the report as reimbursement for special activities totaling \$1,443,634,000, we recognize that these expenditures serve the farmer indirectly and serve our international policy whatever that might be.

A third category of mixed benefits to our farmer and other economic segments of our population is the improvement of marketing systems, such as marketing inspections and freight rate service, which in this bill amounts to \$43,143,000.

A fourth is the improvement in conservation of our Nation's natural resources, our land, in the prevention of floods, in agricultural conservation, and in technical assistance in conserving

land under the soil conservation program. These programs, you will note in the committee report, cost \$143,132,000.

Members of the House, these are mixed benefits. They benefit not only the farmer, whose total gross income last year has one again fallen, but also benefits our city people, our schoolchildren, our welfare recipients, and, yes, even some of our senior citizens. They also benefit the friendly foreigners whose support we seek, by our mutual security program, and by these programs. We, from the cities, must not therefore conclude that this farm appropriation bill is a one-way street. Our interests, economic and national, are intertwined, and inasmuch as I deplore the attitude of the city Representatives that price supports are giveaways to the farmer, I deplore the attitude of the farm Representatives and rural Representatives that funds for housing and depressed areas are socialistic and giveaways. We, in the cities and in the farm belt, have a common concern in preserving our national resources whether it be in the form of preservation of farms or in the protection of our water supplies. We have a common interest in aiding our people in the depressed areas of the country and our people who reside in the big cities.

We know from experience that if the farmer suffers and cannot sell his crops or commodities, he loses the purchasing power which is so necessary for him to buy the equipment to work his farm and to buy the machinery which the manufacturers of New Jersey, Connecticut, and Pennsylvania produce. We know that if the farmers go broke, they cannot buy the refrigerators, the televisions, the electrical appliances and the clothing which are produced in the factories of New York and the mills of New England, and now in some of the garment factories in the Southern States along the Atlantic seaboard. If they do not have the funds to purchase these articles, we, in the cities, cannot sell our garments, we cannot sell our appliances, we cannot sell our machinery, so we must suffer, too.

I have made during the hearings an inquiry as to the extent of the connection between the city residents and the farmers. I have been astounded to see how many appliances the 4,200,000 household membership of the REA has purchased. I direct your attention to volume 4 of the hearings of this year, pages 95-110. These will disclose the extent of the connection. This program of electrification by the REA of our farms has generated \$14 billion worth of private business, with the manufacturing companies in the industrial areas of our country's selling and the farmer's buying. Without such program, I wonder how many more depressed areas we would have like the district of Congressman BAILEY, of West Virginia, or Congressman FLOOD, of Pennsylvania, or Congressman KILBURN, of New York. I am certain that there would be many.

I have looked about to find out the reason for the high prices to the con-

sumer to determine whether the direct subsidies to the farmer is causing the housewife and the consumer to pay a higher price for the food commodities. From my inquiry I say that the fault lies not in the amount of price supports or money that the farmers are getting, but in the distribution of our surpluses, in the costs which are saddled on the price which the farmer gets. Reliable information indicates that the farmer receives only 38 cents of the consumer \$1. Where does the rest of the money go? It goes in the cost of distribution, it goes in the cost of transportation, it goes in the cost of storage. I take issue with the statement of the spokesman of this administration that we, in the cities, are buying more with our dollar and that we have no reason to complain. Our dollar does not purchase more, when you compare what 1 hour of factory labor can purchase today with what 1 hour of factory labor could buy years ago. I want you to recall that the comparison does not take into consideration the taxes that we have to pay and does not take into consideration the fact that many people are nonfactory workers. We have our service trades, our nonfactory workers, and our senior citizens living on pensions who are suffering with the high level of consumer prices.

Despite price supports on wheat, corn, and other basic commodities, the small farmer must rely in a large measure on a nonfarm income to obtain the necessities of life. Farm income is low, on a real basis or on a comparable basis. Net farm income in the last 7 years has dropped from \$14.4 billion to \$11 billion. The consequences of low farm income manifest themselves in the flight from the farms, in the decline of small family farms, and in the drop of farm employment to the extent of 1,374,000. The unemployed farmers swell not only the unemployment rolls in the rural areas, but the relief rolls in the cities. We must, therefore, continue our aid to the farmers of the country.

I would like to discuss a program which the parents of the city have contact with and can see tangible results. I refer to the school lunch program, which is of vital importance to the school children in the cities and also to the schoolchildren in the rural areas. This bill provides for an appropriation of \$110 million cash payments and \$45 million obtained from a transfer of section 32 funds, which as many of you know are the funds which are derived from receipts from taxes on imports. This composite figure of \$155 million represents an increase of \$1,342,752 over last year's appropriation and is designed to take care of the 500,000 additional children who have enjoyed and are participating in the program since last year. I believe that this program has accomplished its objectives of extending the market for agricultural food commodities and to improve the health and well-being of the Nation's schoolchildren by providing a well balanced school lunch.

In the past 25 years there has been a tremendous expansion in school food services. In the immediate years ahead,

there is likely to be further substantial expansion. By 1965 it is expected that 7½ million more children will be attending elementary and secondary schools, pushing total enrollment to the almost unbelievable total of almost 47 million. As new schools are built and as old ones are modernized, more and more school facilities will be available to meet the growing demand for lunches at school. I am pleased to note that the District of Columbia has expanded the program substantially over last year.

I am no farmer, I have no farmers in my district nor do I have any farms in my district except rock gardens and small backyard plots. I do not even represent those crabgrass weekend farmers of suburbia, but I do know and I am firmly convinced that in America there is an economic unity between the man who toils on the farm and the worker who labors in industry.

While I have been asking you to support this bill, I want you to know that in the administration of the farm program and in its allied fields, everything is not going well. The storage problem in the United States is a national disgrace and this administration must assume the blame. I have been in the corn fields of Illinois, I have studied the storage problem in the great State of Iowa where more than one-third of the corn is stored, I have inquired into the storage of wheat, and I state unequivocally that this administration has been wasteful and shamefully prodigal. We have Government bins which are 65 percent utilized. We can build bins which would not be costly. The cost to the Government for the storage of a bushel of grain per year averages about 6½ cents per bushel. Corn has been stored since 1952. This administration has adopted a policy of storing grains in commercial warehouses at a cost of 16½ cents per bushel per year when the cost to the warehousemen is 10 cents per bushel per year and less. As a result of the high profits and practices of the Department of Agriculture of this administration, men have built warehouses with guaranteed storage and have recouped their investments within a period of 1½ years and thereafter everything is profit. These are men who have never been in the warehouse business who render no service except dead storage. The administration has announced after prodding by the committee and after an investigation that it will reduce, commencing July 1, 1961, storage rates by 19 percent or 3 cents per bushel. In 1959 the cost is \$481 million in storage rates. In fiscal year 1960 it is estimated that it is going to cost us \$612 million. In 1961, if the rates are not reduced, it will cost our Government, through the CCC, \$700 million.

Another major criticism is the disinclination or the reluctance of the administration to use the moth ball fleet which we have in the Astoria River in the State of Washington, in the Hudson River in the State of New York, and in the James River in the State of Virginia. We have over 106 ships which can store 34 million tons of wheat at practically

no cost, and yet the administration continues its ill-advised policy of maintaining storage in commercial warehouses. Such a policy must and should be discontinued.

I am very pleased that the committee agreed with me on the need for appropriating funds for a soil research center to be located in Cornell University at Ithaca, N.Y. A Senate report had previously recommended that a soil research center should be set up either in Pennsylvania or New York. The Department of Agriculture notwithstanding the Senate recommendation and the admitted need was disinclined to set up such facilities. The committee after listening to testimony from both Republican and Democratic representatives from the State of New York allocated \$325,000 for this research center. We know that great benefits to the State of New York, the eastern area of the United States and to soil conservation will result from this appropriation. I am delighted to have played a role in seeing that a needed and beneficial program was provided for in this appropriation bill.

I trust that this appropriation bill will be approved.

Mr. YATES. Mr. Chairman, if the gentleman will yield for a question; where did the gentleman get the figures on the difference in prices between the amount paid for Government storage and the amount paid for private storage?

Mr. SANTANGELO. There are figures in the record which indicate the cost to the Government. In addition to that, I have had conversations with the directors of the Commodity Credit Corporation as to the storage charges in Government-owned bins. They said it cost 6½ cents per bushel per year. They also said that the warehouse industry indicated in certain circumstances the price goes up to about 10 cents per bushel per year and then goes down to about 6½ cents. Normally the greater the storage the lower the unit cost. However, in the case of some of these big grain warehouses, on 750,000 bushels or better, the price goes back to 10 cents per bushel per year. It does not make sense, but these other figures which the Department of Agriculture has obtained are the figures which the warehouse industry has submitted in their negotiations and are substantially the figures which show that after the reduction they still have a spread of 3½ cents over the maximum cost which they say they are spending in the storing of this grain.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Kansas.

Mr. AVERY. This is a very important matter as far as my State of Kansas is concerned. I know the gentleman wants to be absolutely fair about this when he points out that the differential in warehousing cost is the difference between 16 cents and 6 cents, but he should also state that even though that 6 cents cost could be proven, or even 11 cents, which is the figure the Department of Agriculture furnished to me—he should recognize the Government warehouse is not

charged up with the guarantee of the condition of the grain, as a private warehouseman has been. Government storage is not charged up with the quantity measurement that takes into account shrinkage, which the private warehouseman has to guarantee to the Commodity Credit Corporation, nor taxes paid. There may have been unjustified earnings. I am not taking the position that 16 cents is right, but to be absolutely fair the gentleman should admit these other costs of private industry do not occur to the Commodity Credit Corporation.

Mr. SANTANGELO. Under the uniform storage agreement under section 10, there is a provision where if there is spoilage or a danger of deterioration they can ask permission to sell it and dispose of it so as not to incur a loss.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Minnesota.

Mr. MARSHALL. They told us that the spoilage of grain and corn in these bins is less than a fraction of 1 percent. So the amount of spoilage that has taken place in these bins is an infinitesimal amount.

Mr. SANTANGELO. I agree with the gentleman.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield.

Mr. SMITH of Iowa. So that the RECORD may be straight, does the gentleman agree with the figure given by the Department of Agriculture, that it costs 5.1 cents per bushel for storage and you get less than two-thirds of a cent for shrinkage, so that the cost is over 6 cents, with this item included. That does not include taxes, of course, because the Federal Government does not pay taxes. But is that correct?

Mr. SANTANGELO. I agree with the gentleman.

At this point I would like to commend the gentleman from Iowa for the fine work that he did and the information he elicited during the hearings in Iowa, where he showed the trade practice that the Government was directing them to put into private warehouse. They could just as well have put it in the Government bid and paid the private warehouse the money for storage and thereby saved the matter of moving the grain.

We have the school lunch appropriation, \$110 million in cash and \$45 million by transfer of funds to the Department of Agriculture.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to my chairman.

Mr. WHITTEN. I want to say to the membership of this House that it is in the American tradition for us to have on our Subcommittee on Agricultural Appropriations a member such as the gentleman from New York, and I mean downtown New York. He is a splendid lawyer and a tireless worker, who is interested in the subject. He works untiringly not only in the committee but out in the field. He has more energy than most of our members. He has

contributed greatly to the considerations of this subcommittee and he has performed great services not only on the subcommittee but also by his understanding of the problems of the industrial and city areas. He has brought essential balance to this subcommittee, which I think is a tribute to the arrangement which put him on this subcommittee. The gentleman from New York [Mr. SANTANGELO] has done a great service on this committee, a great service; and I am glad to say so.

Mr. SANTANGELO. I thank the gentleman.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Illinois.

Mr. YATES. Will the gentleman comment on the question whether or not grain stored in any of the ships in the mothball fleet would deteriorate, being in ships that are in the water?

Mr. SANTANGELO. The information which I have is that they will not deteriorate. Corn cannot be stored in the mothball fleet, but we can without any difficulty store the wheat. The proof of the pudding is in the storage. They have about 30 ships which are full, but they have 86 which are empty, and they will not use them. I say we should use those ships. They will not spoil if the grain is put in the mothball fleet.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HORAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. Ford].

(Mr. Ford asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, I would like to raise at this point some of the questions that I raised in the full committee in reference to the report and, more specifically, the various charts at the conclusion of the report that are a summary of the appropriations and authorizations made for the current fiscal year, the budget estimate for fiscal 1961, the amount recommended in the bill for 1961, and then a comparison of the bill before us with the 1960 amounts and the 1961 estimates.

As the chairman of the subcommittee knows, in the full committee I raised a question or two about how the committee report handled the contingency funds in the compilations at the conclusion of the written part of the report. As the gentleman from Mississippi knows, perhaps better than anybody in the House, it has been a practice for some time, I believe, that we have contingencies in this bill that are handled a little differently than contingencies in other appropriation acts. It is my understanding in this report on the bill that we have \$100 million in contingencies for the REA loan authorization, \$50 million for the electrification part and \$50 million for the telephone part. In addition there is a \$40 million contingency in the loan authorization portion of the Farmers Home Administration.

Now, as I look at the charts in the committee report I do not see those contingency funds, which total \$140 million,

as being included in the tabulation. They are footnoted at the bottom of the various pages in the report.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Mississippi.

Mr. WHITTEN. The gentleman is correct. That is the way the report is written. I would like to indicate, with the gentleman's permission, the reasoning of the committee. We have carried this for a number of years. For instance, for fiscal year 1960 we had \$180 million loan authorization for the Farmers Home Administration and \$20 million in the contingency fund. Last year they sent us a budget recommendation for \$140 million. We had to increase it because of the demand for loans.

Here again the gentleman refers to our conversation in the whole committee. Now, here is our reasoning, and if the gentleman reads the report, he will understand it, and I think anybody else who reads the report will understand it, so I do not think there is problem for anybody to find out what the situation is. In our report we spell it out and in our tabulations we spell it out. Here is the reason we do it. If we put the amount plus the contingency in one bill, it would leave us where we were exceeding the budget. If we put it as we have, the budget has to increase itself, in which case we and the budget are still together.

Now, it is a matter of opinion. I appreciate the gentleman's statement, but I say flatly and unequivocally that we do make it possible for them to increase the loan authority in line with what the gentleman said, but they can do it only if the Budget Bureau approves it. And, again, if the Budget Bureau approves it, they have increased the budget. So, that is our reason.

Mr. FORD. May I just point out what appears to me to be certain inconsistencies in the report:

First. In the 1960 column, under REA, the \$136 million figure does not include the \$25 million contingency amount for electrification, apparently, because it was not released by the Bureau of the Budget.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Ford] has expired.

Mr. HORAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FORD. Mr. Chairman, I thank the gentleman from Washington.

Second. On the other hand, the 1960 REA figure of \$104 million for telephone does include the \$25 million contingency provided as indicated by footnote 10, apparently because it was used.

Third. In the 1960 column under Farmers Home Administration the contingency amount of \$20 million is included in the table and totals as indicated by footnote 7, apparently because it was used.

Fourth. But in the 1961 committee bill column which should represent the amounts recommended, none of the figures included the contingencies totaling \$140 million as disclosed by footnotes 8 and 9.

In consequence both the totals for the 2 years and the comparisons tend to be inconsistent in that they do not factually disclose the full amounts provided or recommended either in the tabulation or the footnotes.

Five. As a matter of fact, the argument that 1960 funds were not used cannot be wholly accurate as a statement until after June 30, because we are still in fiscal year 1960.

Another point that I think ought to be discussed is this. I understand that in eight instances throughout the bill items are reappropriated out of fiscal 1960 for utilization in fiscal 1961. For example, on page 6 the language is as follows:

And any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts.

Is there any idea from the hearings how much is involved in that instance or in any of the other eight instances?

Mr. WHITTEN. May I say to the gentleman that that is an emergency fund which is carried to meet emergency outbreaks of animal diseases and it has saved us many times. We cannot tell in advance how much demand there may be on it. We tried to restore the fund so that they can have it.

The gentleman will remember the emergency outbreak among hogs several years ago. We have had a number of such instances. Also we had the foot-and-mouth disease emergency. There is no way actually to know, so we cannot give exact figures. Agriculture, goodness knows, is charged with so much. If we charged them with something last year that they did not use, I think it is sound to bring it forward instead of counting it against both years. Be that as it may, as bad as this bill is to handle, if we have handled it satisfactory except for the points the gentleman has raised, I think we have done a wonderful job.

Mr. FORD. I know it is a tough job and the gentleman works hard at his responsibility as chairman of the subcommittee. But I think that in these instances where you are reappropriating 1-year funds for the next fiscal year we ought to have some information as to what the amount may be. All of the departments, to my knowledge, do make a forecast of what their unexpended, unobligated balances will be at the end of the fiscal year. Is there anything in the hearings which would give us at least their estimates of what these totals might be?

Mr. WHITTEN. The hearings will disclose that. Except for this emergency matter, we could supply the figures as to what the carry-over would be. In the soil bank, for instance, we brought forward \$30 million. Last year when this bill was up everybody was upset because of how much money was in there for the soil bank. Agriculture took all of that wave of publicity about it. Then it developed that they did not spend it. If that money had lapsed, if it had not been brought forward again we would have been charged with that this year. So, putting the two together, it would

have left Agriculture in just that much worse shape in the public eye. So we thought it well to bring it forward, showing that last year we did not go all the way with it and we will use it next year.

We have explained it in every instance. Mr. FORD. I think it is true that when you reappropriate like this and you do not know exactly the amounts, it tends to some fiscal irresponsibility in

the Department, particularly when they are 1-year funds.

The following chart or table is included to explain in detail several of the points which I have discussed:

Department of Agriculture appropriation bill, 1961—Revised comparative statement of appropriations for 1960 and estimates and amounts recommended in bill for 1961

	Appropriations, 1960	Budget estimate, 1961	Recommended in bill for 1961	Bill compared with—	
				1960 appropriations	1961 estimates
Appropriations (p. 51 committee report).....	\$4,665,643,551	\$4,135,263,190	\$3,964,781,500	—\$700,862,051	¹ —\$170,481,690
Loan authorizations (p. 52, committee report).....	466,000,000	367,000,000	417,000,000	—49,000,000	+50,000,000
Subtotal, appropriations and authorizations, per report table.....	5,131,643,551	4,502,263,190	4,381,781,500	—749,862,051	¹ —120,481,690
Add:					
REA loan authorization "contingencies".....	² 25,000,000		100,000,000	² +75,000,000	+100,000,000
FHA loan authorization "contingency".....	³ (20,000,000)		40,000,000	³ +40,000,000	+40,000,000
Total, appropriations and authorizations.....	5,156,643,551	4,502,263,190	4,521,781,500	—634,862,051	+19,518,310

¹ Some of this committee reduction in new appropriations requested for 1961 is offset by reappropriation for 1961 of prior year balances that otherwise would revert to the Treasury.

² Contingency amounts of \$50,000,000 authorized for 1960 (Public Law 86-80); \$25,000,000 for 1 program only reflected on p. 52 of committee report; contingency

amounts of \$100,000,000 recommended for 1961 not reflected on p. 52; true comparison of 1961 bill with 1960 act, +\$50,000,000.

³ Contingency amount of \$20,000,000 authorized for 1960 reflected on p. 52 of committee report; contingency amount of \$40,000,000 recommended for 1961 not reflected on p. 52; true comparison of 1961 bill with 1960 act, +\$20,000,000.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, there are several items in this agricultural appropriations bill for 1961 about which I should like to speak very briefly.

The first of these is the agricultural conservation program—a program which I believe to be the very backbone of this Nation's soil and water conservation effort.

I strongly oppose any efforts to effect a reduction in the ACP for 1961.

I oppose any such effort because I firmly believe that it would be a step backwards—a backward step this Nation cannot afford.

Soil is this Nation's greatest natural resource. It is from the soil that we derive our essential food, fiber, and raw products. This soil is a part of our legacy. We inherited it from our forebears and we have a sacred obligation to pass it along to those who come after us. It must be preserved.

Unlike most natural resources, our agricultural resources can be used and then at the same time restored and improved. It takes more skillful management to conserve our soil than for example it does oil, coal, or iron. Fortunately, though the process of conserving soil is a highly complex one, we do know how to do it, and have been doing a tremendous job in this field.

Congress has since 1936 recognized its responsibility in this area for it has wisely provided funds each year for the ACP. The original legislation for this program provided \$500 million; however, the funds authorized have varied from time to time and in recent years have been stabilized at \$250 million a year.

In my opinion, this voluntary cost-sharing type of conservation program is the very incentive needed to encourage farmers to carry out the necessary conservation practices on their lands. Because of the present price squeeze the farmer is not able to perform these measures if it were not for the ACP.

Not only is it in the interest of our farm families now living on the farms but for the conservation of the soil for future generations, that I feel no cuts must be made in appropriations for this program. The ACP has and should continue to play an important and essential role in preserving this natural heritage for us.

While records for the 1959 program are not yet available, it appears that ACP will total about the same nationally as in 1958. The following are some accomplishments under the 1958 ACP which I feel point out significantly that the ACP is obtaining the maximum amount of conservation on the Nation's farms per tax dollar invested:

ACP assisted in applying soil and water conservation practices on 1,083,706 farms and ranches. The average amount of assistance per farm was \$200.

ACP assisted in establishing nearly 2½ million acres of conservation cover. In addition to protecting the land, this conservation cover keeps land out of intensive crop production for at least 5 to 7 years and, in some cases, permanently.

Assisted in seeding almost 1½ million acres of additional rotation grass or legume seedings for soil protection. This keeps the land from producing surplus crops for at least 2 or 3 years.

Assisted in planting a third of a million acres of trees for forestry purposes which permanently retired these acres from field crops and pasture.

And ACP assisted in improving 1,800,000 acres of grass and legume cover on farmland to extend its lifespan for conservation purposes. Much of this land, otherwise, would likely have been shifted sooner to more intensive use.

The effect of these shifts in land use is cumulative. The practices established will stay on and protect the land for periods ranging from the length of a rotation to permanently.

Of course, grass and tree cover are only part of the conservation investments farmers made with the ACP in 1958. Some of the other measures established with ACP cost-sharing included over 63,000 water storage reser-

voirs and nearly 5,000 miles of water diversions and spreaders; 54,000 acres of permanent sod waterways and nearly 856,000 acres terraced; almost a half million acres of stripcropping and nearly 1½ million acres of drainage for conservation farming and 1½ million acres of cropland tilled for temporary protection against wind and water erosion.

The need for the ACP in Missouri has been demonstrated repeatedly in past years by the response from farmers desiring to participate in the program. Under the 1958 ACP in my State, more than 43,000 farmers received cost-sharing assistance through the 114 Missouri County ASC offices amounting to a total of more than \$10 million which means they contributed at least that much more out of their own pockets to carry out these conservation measures.

Improved grass and legume cover was established on 120,458 acres.

ACP assisted in installing terraces to control erosion and runoff on more than 30,000 acres and over 500 miles of diversion ditches and dikes to divert runoff were constructed. In conjunction with this, 709 mechanical outlets were installed as protection against erosion on these structures.

Drainage practices, such as open and closed tile drains and shaping and grading, were performed on more than 157,000 acres to dispose of excess water.

To improve grassland management, 3,528 livestock reservoirs were built.

ACP assisted farmers in establishing 137,146 acres of vegetative cover for winter protection from erosion and encouraged them to seed over 21,000 acres of cover to protect cropland throughout the crop year.

During that year, farmers were assisted with the application of liming material on 408,305 acres to insure an adequate vegetative cover for conservation purposes.

We in Missouri are proud of the steps farmers are taking to help conserve the natural resources of our Nation. However, much credit must be given to the ACP which encourages them to perform

the needed conservation measures on their farms.

Another aspect of this appropriations bill which is of particular interest to me, Mr. Chairman, is the grants-in-aid to the State experimental stations. This is badly needed for forestry research, soil and water conservation research, and research in other fields of agricultural industry.

Most of the appropriation for this activity does, however, go to the field of forestry and related fields.

The State Legislature in Missouri last May made an appropriation of \$80,000 for the biennium for the forest survey. This work, of course, is being carried on in cooperation with the U.S. Forest Service. Recently the Director of the Agricultural Experiment Station approved a new full-time research position on the staff of the school of forestry, even though the increase in funds of agricultural research was relatively modest for this biennium. This position will be filled by a man who will devote full-time research in wood technology and products which is felt will be a tremendous help to the wood-using industries of Missouri. The annual cost of this position will be around \$15,000 and it is mentioned to indicate the support which the State has been giving to the research program in the school of forestry. There is a need for strengthening of forest research in the forestry schools in order that these schools may be in a strong position to turn out better trained scientists for the future and in order that the State experiment stations may carry their proper share of the research activities in forestry.

I urge support of this program by the Federal Government.

Another aspect of this agriculture appropriations bill which is of concern to me also, Mr. Chairman, relates to the program of plant quarantine. It has come to my attention that our present quarantine forces are so thinly spread out that we do not have adequate protection from foreign plant and animal pests. I feel that this program is of vital importance in safeguarding agriculture in this Nation. If this program is to be effective, it must form a tight line of defense at all ports of entry. Because of the increase in the number of ports, in part brought about by the opening of the St. Lawrence Seaway, and the increase in traffic at these ports, adequate funds are needed to expand this much needed protective facility of the Department of Agriculture.

In addition to appropriation for REA and RTA other aspects of this legislation of interest to the people of my district are the request for funds to eradicate brucellosis, and funds for the school lunch program. Having been a public school administrator for several years I know firsthand the values of the school lunch program.

(Mr. CARNAHAN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee once again brings to the floor of the House, for your approval, the annual appropriation bill for the Department of Agriculture.

It has been a pleasure serving with our chairman, the distinguished gentleman from Mississippi [Mr. WHITTEN], and the other members of this subcommittee. We were ably assisted by our executive secretary, Mr. Ross P. Pope.

For fiscal year 1961 we recommend \$1,294,647,500 for regular activities, \$1,226,500,000 for restoration of capital impairment, \$1,443,634,000 for reimbursement for special activities, \$417 million for loan authorizations under the control and direction of the Rural Electrification Administration and the Farmers Home Administration, and \$369,670,000 for permanent authorizations.

For the Agriculture Research Service, we recommend appropriations totaling \$141,507,000; \$67,934,000 of this amount is for research; \$52,011,000 is for plant and animal disease and pest control; \$21,562,000 is for meat inspection.

TOBACCO RESEARCH

The need for additional research in tobacco was clearly established during the hearings. Less research has been done on the mechanization of tobacco production than for other major crops and work methods used in tobacco production are still almost entirely manual. At the present time between 400 and 500 hours of human labor are required to produce and harvest an acre of tobacco. Total farm labor requirements for the 1,154,000-acre crop represents equivalent full employment for some 1,920,000 people for 300 8-hour days per year. Tobacco is grown on a total of approximately 1,154,000 acres in 22 States and is a major source of income in 8 of these States. Total production of tobacco in 1959 was about 1,800 million pounds which brought over \$1 billion cash income to producers. About 750,000 farm families are engaged in the production of tobacco. The number of hours required to produce an acre of tobacco has changed very little over the past 50 years. Labor requirements for other major crops, on the other hand, have been strikingly reduced. Tobacco taxes total a little over \$2½ billion annually to the support of Federal, State, and local governments; \$1.7 billion goes into the Federal Treasury and this does not include indirect taxes. Prior to the establishment of the income tax in 1913, for many years the second largest return to the Internal Revenue Bureau came from the impost of manufactured tobacco and related taxes.

From time to time, we have been informed that we are pricing ourselves out of the foreign markets. Accepting this view during the present session of the 86th Congress, we passed H.R. 9664. Under this legislation the parity price for tobacco was tied to the 1959 level. The purpose of this bill is to prevent the operation of the present parity formula from pushing the support price on tobacco beyond limits which the tobacco industry believes to be reasonable at present general price levels. Under

the terms of this bill, the tobacco support level for 1960 will be the same as in 1959 and in subsequent years the support price will be adjusted from the 1959 level in direct proportion to the change in the parity index, using the previous 3 years moving average as a base.

Tobacco is one of the most important cash crops in America. In terms of cash receipts from the sale of crops in the United States, tobacco in 1958 was exceeded in value by only four crops:

1. Wheat.....	\$2,253,000,000
2. Cotton.....	1,928,000,000
3. Corn.....	1,412,000,000
4. Soy beans.....	1,117,000,000
5. Tobacco.....	1,007,000,000
6. Sorghum grain.....	569,000,000
7. Potatoes.....	373,000,000

Only recently the Common Market countries entered into an agreement which places a 30 percent ad valorem tax on our tobacco. This tax does not apply to the tobacco produced in the six Common Market countries, and certainly is not only restrictive but is an unreasonable tax which has for its purpose, complete exclusion of our tobacco for the next 10 years. In addition, we know that 60 countries in the world have, during the past few years, increased their import duties on tobacco. Our own subcommittee, in its travels in the Pacific and Far East from October 23 to December 10, 1959, discovered some of the problems confronting tobacco today. In the report of the Agriculture Subcommittee's trip we have the following statement:

We also visited the La Suerta Tobacco Co. in Manila to observe manufacturing processes and discuss use of American tobacco. While American tobacco is generally preferred, tobacco manufacturers are unable to get all they want because of a government program now in effect favoring local production of tobacco.

The tobacco industry is undergoing scientific and technological changes that have so significantly affected agriculture as a whole that it is now necessary to step up our research program for this commodity.

Certain increases for research were approved from 1953 through 1959. For livestock and products, we approved increases totaling \$7,894,000. For cereal and forage, increases totaling \$3,733,000 were approved and for cotton and other fabrics, we approved increases totaling \$2,150,000. Increases for research during this period of time for wool and mohair totaled \$715,000 and for major crops, \$295,000. Increases for tobacco research from 1953 through 1960 totaled only \$293,000. Increases totaling \$1,015,000 were approved for oil seeds and \$100,000 was approved for naval stores. Nine hundred and thirty-eight thousand dollars in increases for new crops was approved and \$900,000 was approved for crop and livestock protection. From 1953 to 1960 we approved increases for fruits, nuts, and vegetables totaling \$2,045,000. Research increases for all other crops during this period of time totaled \$478,000 and \$6,102,000 was approved for forestry.

While the hearings were underway, the State of Kentucky, through its legisla-

ture, appropriated \$1 million for use in construction of an agricultural tobacco research center and in addition, appropriated \$50,000 to be used in tobacco research. Ordinarily, in setting up a research program or expanding programs, it becomes necessary to have a research laboratory building. With few exceptions, the Federal Government must bear the cost of the building as well as the equipment and other facilities necessarily required for research and for a research center. Since I have been a member of the subcommittee, some 9 or 10 laboratories have been constructed out of Federal funds, and, at no time has any State constructed a research center for use by the Federal Government. The laboratories constructed, have cost the Federal Government from \$500,000 to several million dollars each.

Tobacco pays its own way and certainly adequate funds should be appropriated for research at this time. Our committee recommends an increase of \$250,000 for tobacco research. This amount will be used in conjunction with the \$1 million for the research center and the additional sum of \$50,000 for tobacco research mentioned above and will be used for planning, locating, constructing, and equipping of appropriate greenhouses with humidity and temperature control, and for appropriately equipping the special laboratories for tobacco research in the new center. Power, light, steam, and water lines and compressed air facilities must be installed for the greenhouses and for outlying field facilities. Machinery and shop equipment will also be supplied for the mechanization studies. A headhouse will be constructed in connection with the greenhouses for use in storing soil and materials in greenhouse work.

RURAL DEVELOPMENT

In 1955, we decided to appropriate a small amount for rural development. This program attempts to find the means whereby rural families of low-income status can be assisted to raise their income and to enable them to enjoy a level of living commensurate with our American standards. We know that our farmer has the right to demand a standard of living in keeping with the contributions he makes to the national economy. The amount expended in the rural development program has produced great benefits to our people. This is not a handout program. It is conceived as an educational and technical assistance program where agencies and organizations band together in a group to serve people of a community, county, or area. The three pilot counties in Kentucky are Butler, Metcalfe, and Elliott.

BRUCELLOSIS

During the past few months, I have received a great many letters from farmers throughout this country requesting that our brucellosis eradication program be stepped up instead of slowed down. The Department recommended \$15 million for the brucellosis program, and we have increased this amount to \$19 million.

TRADE BARRIERS

Along with our many problems concerning agriculture in this country, we

are faced with the problem of removing foreign trade restrictions against our agricultural commodities. It makes no difference how much time we spend on merchandising; we are simply helpless if the trade policies of our friends abroad permit our products only limited access to their markets. It is imperative that we continue our negotiations with other countries seeking to obtain lower tariffs on our commodities. Today we face stronger competition abroad than at any time during the history of this country.

RURAL ELECTRIFICATION ADMINISTRATION

In our REA program, we now have about 4,590,000 consumers on REA financed lines. We have some 1,426,000 miles of lines throughout 47 of the States at the present time. About 95½ percent of the farms, ranches, and rural establishments of this country have the advantage of central station electric power and about one-half of these installations are served by borrowers from REA. In considering our REA program in the future, we must keep in mind that this system serves a national territory. The average number of consumers per mile is only about three and one-tenth and a large number of cooperatives average less than two consumers to a mile. Due to the fact that the cooperatives are operating in such thin territories, the amount of equity REA borrowers have accumulated is exceedingly low. According to recent reports, 50 percent of the rural electric systems have less than 20 percent equity in their facilities. The budget authorizations for our REA Administration total \$110 million for electrification, and \$80 million for rural telephone service. To each amount, we have added a contingency of \$50 million.

RESEARCH

Our agricultural research program is one of the most important programs that we have today. This program must be geared to the problems now confronting American agriculture and be able to meet the problems in the future. A constructive research program should reduce waste and losses and improve efficiency of production. An adequate research program must also improve processing, marketing, and consumption. It should be able to develop new and improved crops and products and expand our markets for sale of our commodities. An adequate research program provides improved nutrition and better living for rural and urban people. We must expand our agricultural research program in order to meet the objectives which I have just enumerated. It is a recognized fact that the research facilities of the Department of Agriculture and of the State agricultural experiment stations are overcrowded and the majority need modernization at the present time. We must have modern, up-to-date facilities in order to meet the agricultural research needs confronting us today. In addition to buildings required for research laboratories, we must also have the necessary personnel, properly trained and skilled in the sciences to carry on our research program. Today, we must compete with private industry to obtain the necessary scientists to carry out our research program. Certainly

second-rate scientists should not be a part of our research program and, therefore, we must be prepared to compete with private industry for skilled personnel in this program. It is true that our agricultural research funds have increased over the years, but the results justify the amounts expended.

SOIL CONSERVATION SERVICE AND CORPS OF ENGINEERS' CIVIL WORKS PROGRAM

Twenty-five years ago we started our national soil and water conservation program. This program has had a tremendous impact upon American agriculture, and in my opinion it will be just as important in the year 1970 as it is at the present time. We have enough good land left in this country to keep us prosperous and well fed if we conserve and improve it. Today, we have more than 2,900 organized soil conservation districts. Soil conservation districts, which began 25 years ago as merely an experiment in local self-government, have demonstrated their value and now include 95 percent of the Nation's farms and ranches. Our people generally support our soil and water conservation program. This program has accomplished a great deal and millions of acres which were decreasing in value as a result of erosion have been restored to productive capacity. Many sections of our country which were heretofore subject to flood damage now are free from that danger. The provision for local conservation districts with local control and direction is the best way to achieve maximum results in conservation. We have every reason to be proud of our soil and water conservation program. This service is one of the great achievements of our present-day Government. Soil conservation means as much to my home State as to any State in the Union, and our soil conservation program, together with our Corps of Engineers, flood control, and navigation projects are producing results in Kentucky. Our farmers are remaining on the farms and, for the first time in a number of years, Kentucky will show an increase in population. We have 122 soil conservation districts in 120 counties in Kentucky with over 86,000 farms participating in this program. Conservation problems become more complex as population growth and technology brings about intensive uses and competition for our land and water. The estimates submitted by the Department of Agriculture for conservation operations totaled \$82,882,000 and we recommend an increase of \$250,000, making a total of \$83,132,000. We recommend \$32 million for watershed protection instead of the budget request of \$27,750,000. For flood prevention, we recommend \$18 million instead of the amount requested by the Department of Agriculture of \$15 million. For our Soil Conservation Service, we make recommendations totaling \$143,132,000 which is an increase of \$7,500,000 over the amount requested by the Department of Agriculture.

This year will be the 137th year that Congress has appropriated funds for the Corps of Engineers' civil works program. Flood control, as we know it today,

started in 1924 when Congress appropriated \$75,000 for the removal of snags in the Ohio River. In 1928 Congress authorized a flood control project in the Mississippi River Valley. The flood control program began on a nationwide basis in 1936 when Congress passed the first major Flood Control Act.

In 1824 Congress gave the Corps of Engineers responsibility for developing a system of roads, canals, and waterways. At this time the big problem was transportation, and the Corps of Engineers concentrated on making our inland waterways and inland and coastal harbors usable. Floods became of great concern as each year the towns and cities suffered loss of lives and heavy property damage. If, at this time, we had had a good constructive soil conservation program underway we would not have experienced this difficulty.

Today we have completed 525 flood control projects and we have 2,800 active Corps of Engineers projects. In addition, we have 1,565 miles of embankments along the main stem of the Mississippi. We have 23,000 miles of improved waterways and 500 harbors in this country today. The Great Lakes navigation system, the St. Lawrence Seaway, the Mississippi River and the Ohio River are only a few of the main inland waterways.

SCHOOL LUNCH PROGRAM

Our greatest asset is our schoolchildren. We recommend \$110 million for fiscal year 1961 and, in addition, we recommend the transfer of \$45 million from section 32 funds to be used to purchase meats and other foods necessary for our schoolchildren's lunches. This will provide a minimum of \$155 million for fiscal year 1961. According to testimony received by our committee, this program served an average of over 10.7 million schoolchildren during the 1959 school year, and with 30 percent of the Nation's 39,480,000 schoolchildren provided with noonday meals.

EXTENSION SERVICE

Our extension service has been of great benefit to the American farmer and especially so in the State of Kentucky. Funds appropriated for this program are used to supplement funds appropriated by State, county, and local governments for the employment of county agents, home demonstration agents, 4-H agents, and State specialists who, in turn, bring into force additional programs of the Department of Agriculture. The extension agents and the entire service in Kentucky is composed of dedicated people who are rendering a great service. We have succeeded in securing salary increases for our extension agents in Kentucky during the past 3 years and every effort will be made to see that our extension agents are provided with adequate salaries. We recommend a total of \$66,335,000 for our extension service.

CONCLUSION

Mr. Chairman, each year 4½ million farm operators decide what to produce on the Nation's 400 million acres of crop land and 700 million acres of pasture. We know that our rural people must make many adjustments in order to keep

their operations on a sound foundation. Today, more than at any time in the past, the business of farming demands the application of the most recent developments in science. We must keep in mind that agriculture is an industry that changes rapidly. Such changes create new problems for our farmers.

Our committee recommends this bill to the Members of the House.

(Mr. NATCHER asked and was given permission to revise and extend his remarks.)

Mr. PELLY. Mr. Chairman, I feel constrained to make certain comments in connection with H.R. 12117, the agriculture appropriation bill.

As my colleagues well know I have been strongly opposed to the present farm subsidy bill and indeed have been forthright in speaking against Government acreage and price controls which constitute in my opinion the costliest failure in our domestic history.

I expect later on to vote against this appropriation bill as I have voted against agricultural bills in the past as a personal protest against the present program. How anyone can justify spending approximately \$4 billion per annum on the farm fiasco is beyond my comprehension.

Certainly President Eisenhower was never more right than when he stated recently that in no domestic area do we have a more obvious need for corrective action than in agriculture.

Let me hasten to say that it is the farmers who have the chief source of complaint. They are the ones who suffer under the existing Federal program. I think they have a right to look to the Congress for corrective action.

Briefly I want to discuss various proposals to effect relief. I point up frequently the distressing fact that Government surpluses, even after the huge recent transactions for wheat disposal under Public Law 480, will represent a cost to the taxpayer of more than \$9 billion with an annual storage charge in excess of \$1 million a day. But in all honesty I must say the Farm Bureau has been practical in recommending a plan to move away from controls—rather than to abruptly terminate the program. I will go along with that general policy.

James Patton, the president of the National Farmers' Union, however, a month or so ago offered his solution. I absolutely abhor his suggestion, which was to license farmers. He suggested each licensed farmer should pay 2 percent yearly of the proceeds of his marketing to the farm organization of his choice—the Grange, Farmers' Union, or Farm Bureau—with the money going to promote sales and educate nonfarmers at home and abroad about the role of the farmer.

I wonder how the nonfarmer under such brainwashing would end up. But as for the sponsor of this plan, Mr. Patton was consistent because he said he favored a major shift of support for schools from local to the Federal level. He is for a Federal system.

We have many suggested solutions that go in the same direction as Mr. Patton would have us go, but not so far.

One is the program which I understand is favored by two of the Democratic candidates for the Presidential nomination. Under it a cartel or sort of central co-operative would be set up to control prices. The poor consumer I fear would assume an awful burden under such a monopolistic plan.

Personally, I think Congress should concentrate right now on a solution of the wheat situation because it is the most pressing.

Legislation of that nature has been introduced. It has been described as a new wheat marketing act. My colleagues from the wheat-producing areas of Washington State, WALT HORAN and CATHERINE MAY, are among those who sponsor this plan and they tell me it is both realistic and constructive. Under this wheat bill a national estimate of primary use would be established by the Secretary of Agriculture—then each State would be given an acreage allotment. Only wheat for human consumption would be regulated. Seventy-five-percent parity would be set as the price support level for the annual requirement.

Mr. Chairman, I am for restoring our farmers to a free enterprise basis and a returning to the law of supply and demand. Granted such action must be by degrees to stabilize the economy.

In the interim the provisions of the Horan-May and other bipartisan sponsored wheat marketing bills, it seems to me, would be helpful and a step in the direction which ultimately I hope will come.

Meanwhile, this legislation would reduce the cost of the program to the taxpayers; start an orderly reduction of the Government-held surplus and assure against disastrously low income levels to the wheat producers.

I hope the House Committee on Agriculture will not report out legislation just to invite a political veto.

Instead, let the House consider a bill which has a chance of being enacted into law. I will support corrective transitional farm legislation similar to the Horan-May plan because my able colleagues have convinced me of the merit of their idea until such time as consumption and supply are in closer balance.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

QUESTIONS ON POULTRY INSPECTION

Mrs. SULLIVAN. Mr. Chairman, I asked the chairman of the subcommittee for this time in order to obtain answers to several questions which occur to me about this appropriation bill and its accompanying report, which I think will be of great interest to every housewife.

First of all, on poultry inspection, may I ask if the additional \$500,000 provided in the bill for poultry inspection will permit the continuous inspection beginning July 1, as required under the Poultry Inspection Act, of food items processed from poultry? It is my understanding from the officials of the Department that an additional \$1 million over the current year's appropriation

tion would be required for this necessary function, and I have seen other figures showing it would cost anywhere from \$500,000 to \$1 million more. Therefore, the question which I have very strongly in mind is whether the extra \$500,000 provided in this bill will be enough to allow the Poultry Division to place inspectors on a continuing basis in all 300 plants now temporarily exempt from inspection because of a shortage of trained inspectors but which, under the law, must have their products continually inspected beginning with the coming July 1, and at Government expense.

Mr. WHITTEN. May I say to the gentlewoman, it is my personal judgment that what is involved is what we might interpret continuous inspection to be. The committee tried to investigate fully this whole matter. It is to some degree between the Department and the processors as to protecting public health. In no instance have the inspectors in the 200 plants found anything injurious to the public health, but the processors in turn could use the stamp of the Department as part of their advertising. In fact, 200 out of the 300 do that. They definitely would like to shift the burden of that cost to the Government. The other third would like the Government to give them the inspection free so that they would be on equal terms with the others.

The Department feels, as I understand it from their testimony, that having the little plants continuously inspected is not necessary to protect the public health, but they in turn refuse to give the stamp unless they do that inspection. What we do is say to the Department, "We are giving you that much money. Inspect them to the fullest degree to protect public health, but when you do it, go ahead and issue the stamp."

We thought that was a fair solution of the problem instead of meeting it head on. Whether you have to repeal the law by providing that no funds shall be used, or whether you have a lot of inspections to get the stamp, so far as the testimony is concerned, we thought that this was the best solution we could think of, and we hope we are right.

Mrs. SULLIVAN. Mr. Chairman, if the gentleman will be patient with me the law says all processing plants in interstate commerce must have inspection. About 300 have been temporarily exempted, but beginning July 1 that exemption expires. Now will he please explain the somewhat confusing, technical language on page 17, beginning on line 2, dealing with the poultry inspection program. Does that language change existing law so far as the requirements of the Poultry Products Inspection Act are concerned? If it does not change the law, why put this language in the bill?

Mr. WHITTEN. Frankly, I would take it that it changes the law by giving the Department some say-so about what inspection is necessary to protect the public health.

Mrs. SULLIVAN. If it does change the law, as I also believe it does, is it proper for the Committee on Appropria-

tions to change the requirements laid down for poultry inspection under legislation drafted by the legislative committee on agriculture, and enacted by Congress several years ago?

Mr. WHITTEN. If we ask for a rule and they grant it, we would have the privilege of changing it if we saw fit to do so. But, this is, frankly, subject to a point of order. We think it is better than nothing and this is the best we can do. So we have not tried to override anybody, but we do think it is the best solution that we could think of.

Mrs. SULLIVAN. The law says that all poultry moving in interstate commerce should be inspected, including products made from poultry. This language in the bill on page 17, "Provided, That the Department is hereby authorized and directed to make such inspection of poultry products processing plants as it deems essential to the protection of public health and to permit the use of appropriate inspection labels where it determines from such inspection that such plants operate in a manner which protects the public health, and not less than \$500,000 shall be available for this purpose," seems to say it would now be up to the Secretary in his discretion to decide which processed products are to be inspected, and under what circumstances the Department should assign inspectors to such processors, and also permits, apparently, some substitute seal to be used to attest to the wholesomeness of poultry which has not actually been inspected.

Mr. WHITTEN. If the gentlewoman will yield to me, I must say I have never been a stickler about jurisdiction. We have so many problems here that if somebody were to handle some of them, I certainly would not object. The Department cannot determine which products are to be inspected, but they can determine what inspection is necessary to protect the public health. But when a legislative committee says that the Committee on Appropriations must appropriate, it looks to me as if some other group has probably stepped a little far. I think they should inspect, but I think it should be for the protection of public health and not for the stamp. But if they say that they have inspected this plant fully and adequately to protect the public health, I do not think they should be permitted to withhold the stamp.

Mrs. SULLIVAN. The point I wanted to call attention to is this: If it is to be only a spot inspection program in plants making poultry pies, poultry soups and other products containing poultry, and yet anything that goes through that processing plant would carry a seal of wholesomeness, then I think we are misleading the housewife in allowing that seal to be on the product indicating that it has been inspected when it probably has not been inspected.

Mr. WHITTEN. I do not know where we should end this. But they have been inspecting 200 plants and they have not found anything that would injure the public health and according to the letters that have been sent to me, they say that they pay for it because they want to

use the stamp because it is a matter of advertising. I do think if the gentlewoman would go along with this, we can work with this and see if we can resolve the situation. Again I say, only one objection and out it would go.

Mrs. SULLIVAN. But under the law, all these 300 exempted plants will have to be inspected beginning July 1, will they not?

Mr. WHITTEN. Unless the other body should put in a statement that, notwithstanding the legislation, no part of these funds can be used for such inspection. Then the law would be repealed. We do not want to do that. We try to resolve it by saying that they must inspect, but the inspection must be for the purpose of protecting the public health, and when you do inspect, to say so.

Mrs. SULLIVAN. I thank my colleague very much for his frank answers. It is clear to me that the language in the proviso in question on page 17 relaxes the strict requirements of the Poultry Products Inspection Act insofar as that act now requires the inspection of all poultry and poultry products in interstate commerce. The act permitted temporary exemption of some plants from the inspection requirements for the convenience of the Government, because it was not considered feasible to provide inspectors at the start of 1959 for every plant in the country subject to the act. There was a shortage of trained personnel in this field.

So the act as originally passed allowed this temporary exemption for 18 months of plants for which inspectors were not available. The Secretary choose to use this administrative authority to exempt from compulsory inspection all plants doing further processing of poultry into poultry products like soups, pies, and so forth, on the assumption that he would need all the trained inspectors available in January 1959 just to cover all of the slaughtering plants.

The exemptions for the further processing plants expire on July 1. The Secretary has asked Congress to amend the law so that he can continue to exempt such plants. Congress has not done so. In the meantime, many of these further processors—200 out of about 300 exempted plants—have felt it was so important to have their products inspected for wholesomeness by the Federal Government that they have paid out of their own funds to have their products continuously inspected under a voluntary inspection program operated by the Department. Under the law, however, they are entitled to the same kind of free inspection the slaughtering plants receive.

This bill provides an additional \$500,000 to the poultry division to provide inspection at plants processing poultry products but the language of the proviso on page 17 gives the Secretary discretionary powers he would not otherwise possess after July 1 to exempt particular plants from inspection. As I understand it, the proviso would permit a spot check inspection program, with a seal attesting to the wholesomeness of poultry products not produced under continuous inspection.

The CHAIRMAN. The time of the gentlewoman from Missouri [Mrs. SULLIVAN] has expired.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL].

(Mr. MARSHALL asked and was given permission to revise and extend his remarks.)

Mr. MARSHALL. Mr. Chairman, few committees of the Congress spend so many long hours together as do our appropriations subcommittees. This is a natural consequence of the responsibility imposed upon us to examine not only every budget request but also the manner in which these funds have been and are being administered.

The work is long and arduous but it is rewarding because of the great opportunities it presents for lasting service and because of the associations developed in our day-to-day efforts. It is a privilege to work with such distinguished Members of Congress as JAMIE L. WHITTEN, of Mississippi; WILLIAM H. NATCHER, of Kentucky; ALFRED E. SANTANGELO, of New York; H. CARL ANDERSEN, of Minnesota; WALT HORAN, of Washington; and ROBERT H. MICHEL, of Illinois.

TRIBUTE TO CHAIRMAN

Every year I serve on the subcommittee, I become more and more impressed with the ability of our chairman; JAMIE WHITTEN is an able and conscientious representative of his district and the State of Mississippi but he is genuinely interested in the problems of all farmers everywhere in our country. The friendly and courteous atmosphere in which we work is built upon the mutual respect members of the subcommittee have for each other's problems and viewpoints. We do not always agree on what is best in every situation but we do agree that our common goal is a healthy and prosperous agriculture sharing in our Nation's growth and progress.

FARM TROUBLES REMEMBERED

That agriculture is in trouble today is too painfully apparent to need documentation. It should not be necessary to review in detail that part of our agricultural history which is remembered so clearly by every farmer who lived through it. I am speaking of the twenties and early thirties when falling farm prices, forced sales, farm foreclosures, bank failures, and dark depression forced a mighty Nation to its knees.

We fought our way back to the greatest productive effort the world has ever known. It should not be necessary to review the basic agricultural laws which made this recovery and growth possible—parity payments and loans, soil conservation and good farm management, diversion of surplus production into foreign and domestic channels, crop insurance, and credit.

NINETEEN HUNDRED AND FIFTIES PROMISED HOPE

We entered the decade of the fifties with high hope and reasonable expectation that we would continue to go forward. Instead, we face the sixties with confusion and frustration. What has happened to us?

If past is prolog, it is worth our while to briefly consider the events and policies that went before. In so doing, we can penetrate some of the fantastic theories and new myths under which the realities of recent history have been buried.

NEED REALISTIC APPROACH

It is true that the farm problem has many facets and it is as complex as modern agriculture itself. Other segments of the economy are complex and face immense problems. Seldom, however, do we witness the pessimism that has gained thought among some agricultural "experts" in the mistaken notion that no solution is possible. What we need to do is look at our problems as realistically and with the same hardheaded candor practiced by other segments of our economy.

My own recollections go back to the beginnings of what has become the modern technological revolution in agriculture. As a small boy, I accompanied my father, then the first county agent in Minnesota, on some of his field trips. I heard him discuss crop rotation with the farmers in an area where the principal cash crop was wheat. I heard him discuss the need for growing a cultivated crop like corn and the advantage of putting land into legumes to restore humus to the soil. This impressed upon me the importance of technical know-how in farming operations.

GAS ENGINE AND TRACTOR

Better farm management, better disease control, and the beginning of mechanization expanded total farm output and released still other acres for the production of marketable crops. The development of the gasoline engine and the tractor together with the improvement of management practices created a new capacity.

The demand for production during World War I hastened the expansion to meet the needs of the world market cut off from other producing countries. We were prepared for the challenge and met it. When the war ended, the level of prices received by farmers plunged 43 percent between 1919 and 1921.

FARM CONFERENCE OF 1922

The general scare and heated protests finally led President Harding to call a national conference on the farm problem in 1922. This was the first such meeting in history and one of its recommendations directed the Congress and the President to "take steps immediately to reestablish a fair exchange value for all farm products with that of other commodities." It also suggested to farm organizations that they survey world supply-and-demand factors and "propose measures for proper limitation of acreage in particular crops."

The price drop eventually led to general income consequences, but for the farmer the effect was immediate and disastrous. No matter where he turned, no matter what alternative he chose, he was always the victim of lower prices and lower income. This meant a lower standard of living for himself and his family. It meant neglect of health

and education and neglect of the farm itself.

PRICE OF UNWILLINGNESS

Those who still today say that government has no place in the economic affairs of the farmer might well study the economics of the twenties. As then, we can now try to solve the farm problem by an unwillingness to face facts but we must expect to reap the same consequences.

Who benefited from the unwillingness to act and the unconcern of the twenties? Consumers? A man walking the streets out of work does not benefit from low prices. Merchants? There were so many merchants with so much money on the books that any profit in operations was wiped out by bad paper. Did it help the banks? Look at the foreclosures of that period. I repeat, who benefited from the farm depression of the twenties?

M'NARY-HAUGEN BILLS VETOED

When the pressures building up for action finally led to efforts by Congress to intervene with the McNary-Haugen bills of 1927 and 1928, Calvin Coolidge twice vetoed them. Despite the shortcomings evident to us today and their shortsighted view of workable trade relationships, the bills did represent an attempt to act.

FARM BOARD FAILURE

The precedent of nonintervention was finally broken in the Agricultural Marketing Act of 1929 which created a Federal Farm Board to stabilize the prices of farm products by buying when supplies were excessive and selling when shortages existed. In 3 years, despite the sincerity of effort, three-fourths of its \$500 million appropriation was lost. In the face of the most devastating depression of all time, that action was too little and too late. Prophetically, the Board ended operations with a warning that withholding supplies from the market alone could not stabilize prices unless accompanied by production control.

To make matters worse, the enactment of the Smoot-Hawley Tariff Act totally ignored the importance of a sound trade relationship and ruined what foreign markets we had left. Its proponents chose to ignore the fact that we came out of World War I a creditor nation and we needed the two-way street of trade to maintain vital markets for the abundance of our production.

DISTRESS SPREADS ACROSS NATION

Agriculture was left to flounder while the depression deepened and the rest of the economy tasted the distress already so familiar to farmers. No one who lived through that period needs to be reminded of the suffering and fear that terrorized the nation.

Sickened by callous inaction in the face of such overwhelming poverty, the American people swept the Republican Administration out of office with a demand for bold, new action.

SUPREME COURT KILLS HOPE

Congress passed the Agricultural Adjustment Act in the spring of 1933 in an effort to establish and maintain a "balance between the production and

consumption of agricultural commodities." Using benefit payments as an inducement to control surplus production, the program was later augmented by marketing quotas for specified crops. When the Supreme Court nullified the regulation of production and the processing tax which helped to support the program in its decision of January 6, 1936, many farmers feared that the only remaining hope had been knocked out from under them.

NINETEEN HUNDRED AND THIRTY-SIX ACT OUTLINES PURPOSE

But within a year Congress responded with the Soil Conservation and Domestic Allotment Act of 1936 which provided means of controlling production and provided incentives for conservation of our soil by proper plowing, contouring, and crop rotation. Its preamble best states the new spirit of hope:

SEC. 7. (a) It is hereby declared to be the policy of this Act also to secure, and the purposes of this Act shall also include, (1) preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) diminution of exploitation and wasteful and unscientific use of national soil resources; (4) the protection of rivers and harbors against the results of soil erosion in aid of maintaining the navigability of waters and water courses and in aid of flood control; and (5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the five-year period August 1909 to July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under sections 7 to 14 inclusive, of this Act shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this section due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers.

NINETEEN HUNDRED AND THIRTY-EIGHT ACT BROADENS PROGRAMS

To strengthen and broaden the existing programs, the Agricultural Adjustment Act of 1938 was enacted; the basic legislation responsible for the great strides in American agriculture.

It carried forward the principles of the Soil Conservation Act of 1935 in encouraging good management of the Nation's soil resources—not only, or even primarily, for the benefit of farmers but for the direct benefit of all future generations dependent upon soil for food and raw materials.

TOOLS TO BALANCE PRODUCTION

Loans, marketing quotas, and parity payments were provided as the necessary tools to enable the farmer to bring his production into closer balance with demand without complete and total collapse of income. For the first time, farmers themselves were called upon to administer their own programs on the basis of their own experience and to meet their own realistic needs.

Surplus production was diverted into domestic and foreign channels and programs to develop new uses for agricultural products were pushed forward.

As a further stabilizing effort, the Federal Crop Insurance Corporation was created to provide insurance against loss of crops. By 1942, one-fourth of all wheat farmers were taking advantage of this program.

REA SPEEDS MECHANIZATION

Another major contribution to the recovery and expansion of agriculture was in the making. Tomorrow we will observe the 25th anniversary of the creation of the Rural Electrification Administration by executive order of President Roosevelt on May 11, 1935. Its modest beginnings did not foretell the great role it was to play in the continuing agricultural revolution.

It brought light to the rural home and with it the means of further mechanization in farm operations. By the end of 1936, almost 100 loans were approved and we had laid the basis for the labor-saving devices which enabled farmworkers to increase their output during the help shortage of the war years ahead.

The Nation has never seen a finer example of cooperation. Farmers worked with and through their Government to help each other help themselves.

MET CHALLENGE OF WORLD WAR II

Our agricultural plant was prepared for the great emergencies of World War II. Our stockpiles were a godsend to the entire free world and our farms were geared for the maximum output. The labor shortage was met with increased mechanization and production efficiency made its most spectacular gains. Once again American farmers were ready for the challenge and met it. Now some are saying they met it too well. This grisly bit of erroneous hindsight is unworthy of comment.

The world was grateful for our preparedness as the great breadbasket of democracy.

Technological advance with its increase in production efficiency was a sign to be welcomed rather than feared. We emerged from World War II and the Korean conflict with a greatly expanded potential to be turned to good or evil. We still had within our means the tools for a return to orderly production and wise use of our resources to meet immediate world needs while protecting our future capacity. Never was the opportunity so great.

END OF DISCREDITED POLICIES?

We thought we were done once and for all with the discarded and discredited policies of unhappier days. We thought these were forever forgotten in the dis-

mal files of failure. It seemed unbelievable that anyone could consciously slip into the errors that could only result in a repetition of the sad history I have briefly recounted here.

I say to you frankly, Mr. Chairman, we failed to anticipate the unaccountable stupidity, at worst, or the incredible naivete, at best, of the men to whom we entrusted the opportunity that was ours.

DREAMING WITH EISENHOWER

In this, the twilight of the Eisenhower administration, the American farmer cannot help but ponder over the 7½ years which promised a bright dream that now seems to be only another nightmare.

If he is a corn farmer, he can recall how confidently he approached a new day at a time when all seemed well. At the plowing matches at Kasson, Minn., he had heard a great general who was a candidate for President promise:

And here, and now, without any "ifs" or "buts," I say to you that I stand behind—and the Republican Party stands behind—the price-support laws now on the books. This includes the amendment to the Basic Farm Act, passed by votes of both parties in Congress, to continue through 1954 the price supports on basic commodities at 90 percent of parity.

PLEDGES REPUBLICAN PARTY

Whatever misgivings this farmer may have had when he recalled the disastrous farm policies of the Hoover administration were quickly dismissed by this new candidate. In Brookings, S. Dak., he spoke not only for himself but for his party when he said:

The Republican Party is pledged to the sustaining of the 90-percent parity price support and it is pledged even more than that to helping the farmer obtain his full parity, 100 percent of parity, with the guarantee in price supports of 90.

SECRETARY OFFERS ASSURANCES

It seemed a great day on the farm, a bright and cloudless day without threat of impending storm. The farmer could relax with his family in the satisfaction of a hard day's labor done. The sunset promised a peaceful night and a glorious tomorrow.

Any doubts about the new Secretary of Agriculture seemed to be dispelled when he said firmly in St. Paul:

Our agricultural policy should aim to obtain in the marketplace full parity prices of farm products and parity incomes for farm people that farmers will have freedom to operate efficiently and to adjust their production to changing consumer demands in an expanding economy.

GOLDEN PROMISES DISTURBED

Surely these golden promises would mean a bright, new day for agriculture. The farm programs that had helped him to pull himself up from the mires of depression would not only be continued but they would be improved. With his son home from Korea, the farmer could look forward to a peaceful world of growing markets that could only mean prosperity for his family and well-being for the Nation.

This was a time to sleep well and enjoy the dream of better things yet to come. A new voice interrupted this

fantasy with a warning that the postwar level of prosperity in agriculture was "a dream world, and no one expected it to last." It came from Don Paarlberg, one of the chief architects of the new farm policy, in a speech at West Millbury, Mass.

FARMER RELUCTANT TO DOUBT

Our corn farmer drove the troubled thought from his mind. The gains made on his farm were real gains and certainly no one would seriously suggest a return to the dog-eat-dog economics that fed the farm depression. He remembered burning corn in his stoves because it was cheaper than coal. He remembered the neighbor who hauled 100 bushels of oats 10 miles to town to get \$8 to buy Christmas presents for his children. He saw fat cattle sold on the market at South St. Paul for 3½ cents a pound. He recalled the human suffering and reassured himself that the mistakes of which it was born would never again be repeated. Not when the future promised so much.

In the cool light of morning, the uneasiness returns with the echoed warning of the Secretary of Agriculture that "every young man requires the spur of insecurity to force him to do his best."

MORE CORN SEEMS ANSWER

He has lived with insecurity before and knows the sick fear it engenders. He is restless as the hopes and dreams of the night seem to dim in the cold light of the day. He has been told to "raise his sights beyond the dollar sign, beyond material things," but he knows that he must go on with the work of the day to feed his family and pay his bills.

He is told that he is now free to make his own decisions without socialistic controls and regimentation. Listening to a morning radio program, he learns that he may be able to receive a corn loan even if he does not stay within his allotment. Of course, he will receive less for his corn but he can make up the income by planting more corn since production no longer seems to be a problem. So he goes out to his fields to plant more corn and notices that his neighbors are doing the same.

With the prospect of more corn, he decides to keep a few more brood sows. Hog prices go down but he is told that he no longer needs to bother with the corn allotment. With acreage unlimited, he decides to plow up the clover and legumes. He abandons crop rotation in order to expand his production.

UNIT TIMES PRICE EQUALS INCOME

After all, unit times price equals income. With prices down, he needs to grow more to meet the steady increase in operating costs and taxes. A bushel of corn buys less so the only hope is more bushels of corn. His neighbors, too, find themselves on the same treadmill.

Clouds are appearing on the horizon as our farmer's day draws to a close. The hope of better education and health care for his children is a vanishing dream. As the surplus piles up around

him, his debts increase and his standard of living declines. What began as a day of promise is now darkened by the menacing storm clouds of an uncertain night.

WHAT DID PRESIDENT SAY?

And what does he hear from those who held out the golden promise? The answers had seemed too simple to them but now there is only confusion and uncertainty. At a Washington press conference, the President says:

Now, if there were any kind of reasonable plan that connected with other features of the thing they could bring something about that seemed reasonable and fair to the farmers, well, I would be glad to look at it and, because as I say, if it looks reasonable to me, I will approve it because I am just to this point—I know that we are in a bad fix, the farmers are, and I have had correspondence recently with some of my farmer friends because, individuals, to get statistics.

What does it mean?

With 83,000 employees in the Department of Agriculture, why is the President writing to his "farmer friends" to get statistics about the "bad fix" we are in?

THE DREAM IS ENDED

This is the troubled state of mind the corn farmer finds himself in after his day with Eisenhower.

All of this, of course, did not happen in a day. But the analogy of the bright day of promise ending with storm clouds all around is a valid one.

Our job now is to help the President understand how it happened. The experience has been too painful to be forgotten. To prevent the impending storm, we need to control the causes. We can do this only if we know the causes and recognize them.

HOW DID IT HAPPEN?

Using corn as our example, let us see what happened first to prices, then production, and finally to the whole farm economy.

When this administration assumed office, corn was supported at 90 percent of parity. During the previous year, the price of corn averaged 95 percent of parity. Prices were still holding good during the early winter of 1953.

There was no reason to expect change except for the good. The corn producer had every reason to believe that he could safely fall into a dreamlike state with nothing but prosperity to trouble him in the years ahead.

CORN PRICES HELD IN 1953

In 1953, the level of price support at 90 percent of parity for corn was \$1.60 a bushel. There were no acreage allotments that year and the average price received by farmers for the 1953 crop was \$1.51 a bushel.

In his farm message of January 1954 the President urged flexible supports for corn at modernized—or lowered—parity levels. He recommended a decrease of 1 percent in support price for each 1 percent increase in supply and asked for acreage allotments. For other grains, he simply asked flexible supports to be fixed by the Secretary of Agriculture.

COMPLIANCE DECREASES

Corn marketing quotas were repealed in the act of 1954 without having been used. Price support at 90 percent of parity was continued through 1954 with a drop to 85 percent provided for 1955.

Acreage allotments for 1954 were fixed at 46 million acres but farmers grew 54 million acres. The decrease in compliance was already being attributed to the threat of flexible supports in 1955. The Secretary of Agriculture merely said:

There were certain factors that tended to reduce compliance, I believe.

He did not elaborate further in his testimony before our subcommittee in 1955.

PRODUCTION UP; PRICES DOWN

While allotments were cut back for 1955, corn production again increased as the rate of compliance decreased under pressure of the drop in support prices and in the market price.

The coming trouble was evidencing itself in 1956. This was the first year of transitional parity, the first year of a price-support to noncooperating farmers in the commercial corn area, and a substantially higher price support to producers in the noncommercial corn areas.

SUPPORT UP; PARITY DOWN

In February 1956, the Secretary of Agriculture announced a price support based on transitional parity of \$1.40 per bushel to growers keeping within allotments. By mid-April it was increased to \$1.50, which amounted to 86.2 percent of transitional parity.

An average price support of \$1.25 was offered to noncooperating farmers in the commercial area. This amounted to 71.8 percent of transitional parity.

The final rate to cooperators remained \$1.50 but by fall it represented 84.3 percent of parity.

NONCOMMERCIAL SUPPORTS

The final 1956 rate to growers in the noncommercial corn areas was also jacked up—to \$1.24. The 1956 act provided that noncommercial areas must get at least 82½ percent of the rate to cooperators as calculated on a national basis. Previously, the noncommercial area rate was 75 percent of the commercial area rate. The new language lasted for only two crops, 1956 and 1957.

A referendum of corn producers in the commercial area was provided by the 1956 act to determine whether they favored the old acreage allotment and price support program or a soil-bank corn base of 51 million acres. Under the latter plan, a grower could get support with 15 percent of his acres in the soil bank. Supports were to be at the level the Secretary determined would assist growers in marketing corn in normal channels of trade without encouraging uneconomic production of corn.

SECRETARY'S PLAN VOTED DOWN

Secretary Benson announced in November that the support price under his plan would be \$1.31 a bushel, if it carried. If it did not carry, the minimum support

to growers in the commercial area would be \$1.36 a bushel. No assurance was given that price supports would be available to noncooperators.

The Secretary's plan failed to receive the necessary majority.

In 1957, the Secretary announced that support to cooperators in the commercial area would be \$1.40 a bushel—parity had increased enough to raise it 4 cents—and support to noncooperators in the commercial area was to be \$1.10. Corn in the noncommercial area would be supported at \$1.27. These rates remained for that season.

SUPPORT NONCOMMERCIAL, NONCOMPLIANCE

In the spring of 1958, Secretary Benson announced the minimum 1958 support at \$1.36 a bushel to compliers in the commercial area. That fall he announced that the support would be made available for the third successive year on noncompliance corn in the commercial area at an average rate of \$1.06 a bushel. Support in the noncommercial area went back to the old level based on 75 percent of the commercial area rate.

The act of 1958 set the pattern for 1959 and 1960. A referendum was scheduled for December to give commercial farmers a choice between the old program or elimination of the commercial area and allotments and price support at 90 percent of the average price received during the previous 3 years. Congress insisted on a minimum support of 65 percent.

SUPPORT HITS MINIMUM

This time the referendum carried. Support was \$1.12 a bushel to all producers. This was 90 percent of the previous 3-year average price.

In January 1960 the Secretary announced corn support for this year at \$1.06 a bushel. This is the minimum—65 percent of parity.

What is the result? Corn production climbed to 3.8 billion bushels in 1958 and then to 4.3 billion bushels in 1959, and another 5- to 10-percent increase for this year.

SUPPORT DOWN; PRODUCTION UP

With reasonable supports and allotments removed the 21-percent increase

in corn production could have been anticipated by the Secretary if he had reviewed past experience. Following is a table showing the level of price support and the level of production in recent years:

TABLE 1.—Support price on corn, corn production, 1953–59

Crop year	Compliance		Corn production
	Support price	Percent support price is of parity	
1953.....	\$1.60	90	3,209,896
1954.....	1.62	90	3,057,891
1955.....	1.58	87	3,229,743
1956.....	1.50	84	3,455,283
1957.....	1.40	77	3,422,331
1958.....	1.36	77	3,800,863
1959.....	1.12	(1)	4,361,170

¹ 90 percent of \$1.25, average price received by farmers in calendar year, 1956–58.

Source: Hearings, Department of Agriculture appropriations bill, 1961, pt. 3, pp. 193, 313.

The end result of the administration's determined effort to lower supports on corn and corn prices is a growing accumulation of corn supplies. This causes yet other serious problems which I propose to discuss. The carryover stocks are expensive to store and hang as a constant threat over the livestock market. In addition, the farmer scrambling to save himself from total collapse is diverting lands from conservation uses in order to obtain the production he needs for subsistence.

At the end of the 1951–52 marketing year, the corn carryover was 486 million bushels. The carryover at the end of the 1959–60 marketing year is expected to be 2 billion bushels.

CARRYOVER PILES UP

Except for oats, the other grains show a similar trend but nowhere is the increase in carryover more dramatic than it is in the case of corn.

The following table compares the carryover of specified grains for the marketing years 1951–52, 1952–53, and 1959–60:

TABLE 3.—Indicated surplus in carryover stocks for 1960

[In millions of bushels]

Commodity	Estimated supply—disposition, 1959-60						Desirable carryover ¹	Surplus carryover in 1960 ¹	
	Beginning stocks, 1959	Production	Total supplies (including imports)	Utilization, 1959-60					Ending stocks, 1960
				Domestic	Exports	Total			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Wheat.....	1,279	1,128	2,415	625	465	1,090	1,325	500	825
Corn.....	1,530	4,361	5,892	3,702	240	3,942	1,950	800	1,150
Grain sorghums.....	510	579	1,090	405	110	515	575	50	525
Barley.....	195	420	635	360	115	475	160	100	60
Soybeans.....	62	538	600	435	125	560	40	40	-----
Oats.....	368	1,074	1,445	1,208	37	1,245	200	200	-----
Rye.....	13	21	38	24	5	29	9	5	4
Flaxseed.....	15	22	37	26	7	33	4	5	-1

¹ There are no official figures for desirable carryover or surplus carryover stocks. However, under existing conditions at home and abroad, desirable carryover stocks should be approximately in line with the amounts shown here.

Source: Hearings, Department of Agriculture appropriation bill, 1961, pt. 3, p. 753.

TABLE 2.—Carryover of specified agricultural commodities at the end of the 1951–52 and 1952–53 marketing years and estimated carryover at the end of the 1959–60 marketing year

[In millions]

Commodity	Date of carry-over	Carry-over at end of 1951–52	Estimated carry-over at end of 1952–53	Estimated carry-over at end of 1959–60 ¹
Wheat...bushels..	July 1	256	560	1,350
Corn.....do.....	Oct. 1	486	700	2,000
Rye.....do.....	July 1	3.9	4	10
Oats.....do.....	do.....	283	225	200
Barley.....do.....	do.....	73	50	160

¹ Estimated carryover at the end of 1959–60 marketing year is based partly on expected disappearance and exports for the remainder of the marketing season. The carryover actually realized at the end of the current season may vary moderately from these estimates depending on trends in consumption and exports during the rest of the season.

Source: Hearings, Department of Agriculture appropriation bill, 1961, pt. 3, p. 280.

Corn and feed grains today make up the No. 1 agricultural problem of this country and we have not yet felt its full force. The brunt of the storage problem will be delayed 2 years and more because much of the corn will be held on farms under ever-normal-granary loans. These are loans made on the current year's crop and include extensions of loans made on the previous year's crop.

Resale programs for price-support loans on 1959-crop farm-stored grains have been announced on corn, barley, wheat, and grain sorghums. In addition, price-support resale loans already in effect on the 1958 grain sorghums, wheat, corn, barley and oats, 1957 wheat and corn, and 1956 corn can be extended by producers for another year.

CARRYOVER BECOMES SURPLUS

From past experience, we know that reasonable stockpiles are necessary both from the standpoint of stabilization and emergency situations. We are reaching the point, however, that some of the carryover is actual surplus production. It is this production which hangs as a constant threat over the market. The following table describes the current situation both in terms of desirable carryover and surplus carryover:

The increase in Commodity Credit stocks as a result of the increasing carryover inevitably results in an increase in storage costs. These, again, are costs charged to the American farmer in al-

most every discussion of the subject but from which he receives little direct benefit.

STORAGE COSTS MOUNTS

For example, the July 1, 1959, corn in-

ventory of 1,043,676,000 bushels resulted in a storage cost of \$133,541,000 for fiscal year 1959. The following table shows the inventory for each year and the cost of storage:

TABLE 4

Quantity of price-support corn in inventory at beginning of fiscal year and total storage costs recorded during fiscal years 1951 through 1955

[All figures in thousands]

Commodity	Unit of measure	Inventory July 1, 1950	Storage cost fiscal year 1951	Inventory July 1, 1951	Storage cost fiscal year 1952	Inventory July 1, 1952	Storage cost fiscal year 1953	Inventory July 1, 1953	Storage cost fiscal year 1954	Inventory July 1, 1954	Storage cost fiscal year 1955	Inventory July 1, 1955
Corn.....	Bushel.....	332,460	\$30,577	413,423	\$28,297	313,895	\$19,584	228,029	\$44,284	364,939	\$53,626	580,724

Quantity of price support corn in inventory at beginning and end of fiscal year and total storage costs recorded during fiscal years 1956 through 1959

[All figures in thousands]

Commodity	Unit of measure	Inventory, July 1, 1955	Storage cost, fiscal year 1956	Inventory, July 1, 1956	Storage cost, fiscal year 1957	Inventory, July 1, 1957	Storage cost, fiscal year 1958	Inventory, July 1, 1958	Storage cost, fiscal year 1959	Inventory, July 1, 1959
Corn.....	Bushel.....	580,724	\$71,532	702,121	\$116,659	803,256	\$139,978	1,028,032	\$133,541	1,043,676

Source: Hearings, Department of Agriculture appropriations bill, 1961, pt. 3, pp. 484, 486.

CORN RATES CLIMB

The tremendous increase in costs is not accounted for solely by the great increase in inventories. The rate paid per bushel has also increased steadily under the storage agreements. Increased costs of labor and material have undoubtedly attributed to the increase. The following table shows the change in rates for corn, which increased from 13.25 cents per bushel in 1952 to 18.89 cents in 1959:

TABLE 5.—Annual storage rates paid per bushel of corn in commercial storage

Year:	Rate
July 1, 1951, to May 31, 1952.....	\$0.1325
June 1-30, 1952.....	.1590
July 1, 1952, to June 30, 1953....	.1590
July 1, 1953, to May 31, 1954.....	.1050
June 1-30, 1954.....	.1824
July 1, 1954, to June 30, 1955.....	.1824
July 1, 1955, to May 31, 1956.....	.1824
June 1, 1956, to June 30, 1957.....	.1889
July 1, 1957, to June 30, 1958.....	.1889
July 1, 1958, to Dec. 31, 1959.....	.1889

Source: Department of Agriculture appropriations bill hearings, 1961, pt. 3, p. 377.

Overall storage and handling costs for all commodities increased from \$73.3 million in fiscal year 1952 to \$481.7 million in fiscal year 1959. It is appropriate to note at this point that net income to the farmer dropped 24 percent during the same period. Estimated storage charges for fiscal year 1960 are \$612 million and they are expected to be over \$700 million for 1961 unless something is done to correct the situation.

As I have said, increased costs have undoubtedly made some increases necessary. Our subcommittee has watched developments closely, however, and there are questionable practices which have contributed to this situation.

EXAMPLES OF WASTE

In 1955, for example, over 16 million bushels of corn were moved from the

Midwest to the west coast at a cost to the Government of over \$8 million, even though vacant space remained at the locations from which it was shipped.

In other instances, we learned that storage charges paid to some warehouses from 1957 to 1959 were sufficiently high to allow operators to recover their investment in buildings and equipment in 2 years.

In some cases usable Government bins were leased by Commodity Credit Corporation to private persons and were rented for storage of Government-owned grain.

INEFFICIENCY CHARGED TO FARMER

No one will condone such practices as the "efficient and effective" conduct of business which is required by the charter of the Commodity Credit Corporation.

Farmers themselves are the first to suffer from costly and ineffective programs which only create new problems without solving those already at hand.

The problem has meaning for a State like mine, Minnesota, in which farmers receive 74.5 percent of their income from livestock and livestock products and 25.5 percent from crops. Minnesota farmers are familiar with the agricultural adage that cheap feed means cheap livestock. This has been hammered home to them by experience.

STOCKS HANG OVER MARKET

Farmers who depend upon livestock and livestock products as a major source of income have a right to be uneasy about the mounting stocks of feed grains. Those who produce cattle, hogs, dairy products, and eggs may well be concerned if such stocks can be made available at any moment to others who could convert them into livestock and livestock products. In the past 2 years we have seen the warning signs in the violent fluctuations in feed prices because of these available feed stocks.

The following table relates corn productions and the number of hogs raised from 1952 through 1959:

TABLE 6.—Corn production, number of pigs raised, 1952-59

Year	Corn production Thousand bushels	Pigs raised Thousand head
1952.....	3,291,994	88,829
1953.....	3,209,896	77,914
1954.....	3,057,891	86,830
1955.....	3,228,743	95,719
1956.....	3,455,283	89,572
1957.....	3,422,331	87,960
1958.....	3,800,863	94,499
1959.....	4,361,170	101,636

Source: Hearings, Department of Agriculture appropriations bill, 1961, pt. 3, p. 313.

What this means to agriculture in dollars and cents can readily be seen in the average prices received by farmers for these products. On November 1, 1952, the average price received for corn was \$1.49. By January 15, 1960, it had dropped to 98 cents a bushel.

HOG PRICES DROP

Farmers received an average of \$17.65 per hundredweight for hogs on November 1, 1952. The average price per hundredweight on January 15, 1960, was \$12.10.

The same pattern is repeated for other feed grains, as well as for most of the commodities sold by farmers. This is evidence enough that the tremendous expenditures of this administration on what it calls farm programs have only contributed to one failure after another. Farmers may well question the motives of those who charge them with such great costs from which they benefit so little.

FEED PRICES STILL DECLINING

That lower livestock and poultry prices tend to further depress grain prices is evident from the recent issue of the

Hearings, Department of Agriculture appropriations hearings, 1961, p.t 3, p. 279.

If ever there was a time for a change, it is now. Continuation of the present policies must ultimately force the American farmer into a tightly regulated and regimented system of agriculture or into economic peonage. This has been the fate of a depressed agriculture in almost every civilized nation in the world. The consequences will not be suffered only by those who till the soil but by the entire Nation. When farmers are forced by a cost-price squeeze to destroy their soil resources, the entire Nation and its future generations are impoverished.

AGRICULTURE IS BASIC INDUSTRY

Despite the disregard in which it is held by this administration, agriculture is still the most important single industry in the United States, the major source of our food and raw materials, and one of industry's largest customers.

Our Subcommittee on Agricultural Appropriations has been fighting alternately a delaying and then a holding action against the onslaught of administrative power. The bill before you today represents another battle in this cold war. We have tried to meet the needs of modern agriculture by writing workable laws and providing the funds to administer them. Unfortunately, we have not always won.

SUBCOMMITTEE EFFORTS OPPOSED

What comfort we have we take in consideration of how much worse things might have been. We have tried to preserve some semblance of working programs even when overwhelmed by maladministration and deliberate contempt for the intent of Congress. I say to you in all sincerity, I wish we had been more successful. I am sorry to report that some of the funds we have provided have been squandered to the detriment of the farmer and in total disregard of our purposes.

We can no longer afford the luxury of do-nothingism and the extravagance of hesitation and confusion. Not only the welfare of our basic industry is at stake. It involves the welfare of every man, woman, and child who eat their daily bread in the secure knowledge that our soil, in the providence of God, contains untold wealth if we are both wise and good in its use.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. ARENDS].

[Mr. ARENDS addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 15 minutes to the gentleman from Washington [Mr. HORAN].

(Mr. HORAN asked and was given permission to revise and extend his remarks.)

Mr. HORAN. Mr. Chairman, I take this time to make some observations and to perhaps have a little colloquy with my chairman.

It has been a pleasure to serve with the gentleman from Mississippi [Mr. WHITTEN], and the other members of this subcommittee, and I want to at this time particularly pay my respects to two of

our hard-working clerks, Mr. Pope and Mr. Gunnels.

The responsibilities of the Appropriations Committee are not in themselves legislative, but we do have a responsibility to point out to the House in our report on these bills the need for amending present legislation or even the need for new legislation.

Out my way we have no Government storage at all. Up until a sorry incident of about 6 weeks ago we had a very fine record as to honesty and good storage practices.

I would like to ask the chairman a question at this point. In our dealing with this storage problem, it was not the intention of the subcommittee to handicap or in any way criticize our old line storage people, such as cooperatives and that sort of thing.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, certainly we did not. However, we did recognize the total cost and that there should be some attention given to holding the cost in line. I think the gentleman would agree with me, whether it was an old line warehouse or not, that the ideal situation would be to keep the warehouse full the year around, rather than on a 30-day basis. We tried to limit our directives to holding the total cost down. I think, however, the big warehouse might have definite means of storing grain at a flat rate per month, and that is the sort of thing we directed our attention to.

Mr. HORAN. I do not want to belabor the point too much. Of course, in a period of 3 years we will have paid out in excess of \$1¼ billion of American money for storage of surplus commodities, and that certainly dictates to me the need for remedial legislation, and I hope that that is the thing that we have pointed out this afternoon.

Now, on page 216 of part II of our hearings, we have a complete report covering many pages of the operations under Public Law 480. And, on page 19 of the committee report here we have a considerable discussion of the operations under Public Law 480, and if the chairman will respond, I would like to get his reaction to what is intended. I was referring to the report on page 19 where it says, "Everybody but the farmer benefits from Public Law 480." I would like to have your comments on that at this time.

Mr. WHITTEN. May I say to the gentleman that I worked rather hard on this report. I would not say that there is no benefit to the farmer. What we are trying to say is that everybody else profits to a greater degree. Really, with what we are now giving away virtually under Public Law 480, if production were pulled back and the farmer's price related in some degree to his cost, the farmer would be a great deal better off. If, what we are now giving away under Public Law 480, we were selling so that it would follow normal channels and become available to people, it would be much less costly. As the gentleman well knows, most all the Public Law 480 sales are made to foreign governments and the governments then in turn sells them for what the traffic will bear. For

instance, I know of one country where they bought the commodities and in turn sold them and reaped a tremendous profit.

Mr. HORAN. In no way did you intend to close the doors of Public Law 480 in the export field?

Mr. WHITTEN. It is beyond our control. They have the authority to dispose of these commodities, and there is nothing we can do about it except sign the check and complain. So, this is our complaint.

Mr. HORAN. We have a pretty good export market as reflected in the hearings. Our exports of agricultural commodities for the present year are expected to be \$4.2 billion, of which \$2.9 billion are exported for dollars. But where Public Law 480 is important, it is very important to those of us who have wheat districts, because under Public Law 480 about 64 percent of our wheat is exported. Thirty-three percent of our cotton, 49 percent of our rice and 73 percent of our cottonseed and soybean oil.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman.

Mr. WHITTEN. May I say that, as long as we have our production plant built up the way it is, and as long as we have nothing except existing laws, I think the American farmer if we did not have this outlet would be in a terrible situation. I do think that we need to point out that the maximum benefits go elsewhere and that somewhere along the line we owe it to ourselves and the farmer to pull our production in line, so that the farmer will not be dependent upon this outlet, and so that the Treasury will not be financing this outlet. In other words, we need to recognize that this is an emergency program and is not a long-range cure of the problem.

Mr. HORAN. Mr. Chairman, I want to say to the committee that last Friday the full Committee on Appropriations took what I think is a good step. They appointed a special subcommittee to study the use of these foreign currencies that are generated under Public Law 480. Our subcommittee feels that one of the primary reasons for having Public Law 480 was the market development work and I hope that that is protected.

On page 218 of part 2 of the hearings you will see a list of the proposals to spend these foreign currencies which are resting comfortably in our Treasury now, and more or less the whole Committee on Appropriations has denied these funds except in their use for agricultural market development work.

Mr. Chairman, there is one other matter I would like to discuss here. There has been some discussion about the pesticide investigation. We had a colloquy with the chairman of the subcommittee when he spoke, on that subject. Of course, a lot of it was generated because of the cranberry fiasco last fall. It seemed that practically everybody who came before our subcommittee used that as an argument for justification so we did not go along entirely with the budget request, because we felt that some coordination should exist between Food

and Drug, Public Health and the Department of Agriculture, that each should know what the other is doing.

The committee felt it was necessary to cut this request for approximately \$1,500,000 of additional funds to carry on research to avoid pesticide residues. The committee recommends an increase of \$250,000. I am sure that every member of the committee agrees that residues from pesticides and other chemicals used in agriculture are one of the greatest difficulties facing American agriculture and American consumers.

Production of commercial quantities of many of our most popular fruits and vegetables would be impossible without pesticides. The apple crop would be almost a total loss, and the same would be true for peaches. Potatoes and tomatoes would be cut drastically. The small quantities of acceptable fruits and vegetables would sell at prices way out of reach of the average American.

We might as well face the facts about the need for chemicals in our present state of knowledge concerning insects, diseases, and other pests. We also have to face the fact that it is almost impossible to control these pests with chemicals without leaving some residues that should be avoided. Recent techniques are able to detect traces of residues that were not even suspected a few years ago. The only answer to this situation is more research.

In the Agricultural Research Service today we have some of the world's most able scientists. They have already demonstrated their ability to think up new ways to control pests without chemicals, as illustrated by the eradication of the screw worm fly in Florida. They now propose a hard-hitting research program to make fuller use of biological controls, insect sterility, and new materials such as attractants, repellants, and hormones.

This new research would not take the place of that done by the chemical companies. They would continue their work of development and testing. The Department should direct its energies to finding new ways to control insects without chemicals or by developing new chemicals that do not leave harmful residues.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman.

Mr. LIPSCOMB. I take this time, Mr. Chairman, to ask a question of the Chairman of the subcommittee. On page 31 of the report, under Foreign Agricultural Service, there is a paragraph which reads as follows:

The increase includes an additional \$800,000 to cover by direct appropriation for the first time certain attache expenses paid in prior years from foreign currency allocations;

Does this mean that the United States Government is now going to spend dollars for certain attache expenses that in the past have been paid for out of foreign currencies?

Mr. WHITTEN. Only to the degree that circumstances have made it necessary. In other words, heretofore we have had foreign currencies available in a

number of Western European countries and elsewhere, in countries which no longer qualify for Public Law 480 commodities which generate these currencies. So we have directed this agency to use foreign currencies to the fullest extent possible. But in some of those cases, countries which were formerly financed that way do not have the currencies available. So we anticipate that out of the \$800,000 they will use foreign currencies to the fullest extent possible. But we did not want the absence of such currencies to cause us to close up attache posts in areas where it has become necessary to finance them with dollars.

Mr. LIPSCOMB. Is it possible to pinpoint the areas or the countries where the additional \$800,000 is going to be spent?

Mr. WHITTEN. The testimony was that they could not. One of our problems is, where there is a limited amount of currency, frequently our Government gives priority to embassies and regular operations there, and perhaps the military, so agriculture does not know just where it will stand in the list of those that are seeking foreign currencies in those countries where it is very limited in the way of priority. They could not tell us. But they have specific instructions to use foreign currencies where available.

Mr. LIPSCOMB. It is the intention of the committee that where foreign currencies are owed or owned by the Treasury of the United States the agricultural observers should use American dollars to purchase foreign currencies?

Mr. WHITTEN. They all belong to the Government. The Foreign Agricultural Service would be buying them from the Treasury and reimbursing the Commodity Credit Corporation. So the money in that instance would go to one arm of the Government and the currency be owned by the other. This happens to be in the same department of government and would be a bookkeeping transaction.

Mr. BOW. Mr. Chairman, would the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. BOW. Would these have to be 480 funds or could they not be other currencies, foreign currencies generally?

Mr. WHITTEN. We have been dealing with 480 funds and inadvertently I used that terminology. We have other foreign currencies, too.

Mr. BOW. It would refer to all foreign currencies?

Mr. WHITTEN. Yes. I had reference to that. I happened inadvertently to use the term "480 funds."

(Mr. WEAVER (at the request of Mr. HORAN) was given permission to extend his remarks at this point in the RECORD.)

Mr. WEAVER. Mr. Chairman, in discussing this bill briefly I would like to commend the gentlemen of the Subcommittee on Agricultural Department Appropriations for a very fine job, indeed. They have attacked a very complex job with vigor and foresight and have on the whole accomplished a great deal in this bill.

I would like to limit my comments to two specific phases of this measure which are of extreme importance not only nationally but to my own congressional district as well. I would like to mention briefly the watershed conservancy program and the hot lunch program for the 39 million schoolchildren of our Nation.

Watershed conservancy is, in my opinion, one of the most important developments in recent years in the field of positive planning for the orderly development of our natural resources and the protection of our farmlands, our small towns and, in some cases, our bigger cities.

This vital work is aimed at keeping the water back in the upper valleys, the small streams and creeks of the Nation, holding it back during the heavy period of runoff so that these waters cannot swell the bigger streams and rivers and add to the flood damage below. It is geared, too, to the holding back of water on the land where it can be used as the dry spells of the summer make it necessary.

In my own State of Nebraska this year we suffered disastrous floods. It is estimated that roads and highways and bridges were damaged in the amount of over \$3 million.

In one small area of Gage County in southern Nebraska one major source of runoff—Big Indian Creek—did damage to county roads and bridges alone estimated at \$100,000. This particular area has already been organized into a watershed conservancy district and plans are underway for proper development of conservation projects. The amount of damage done in the spring of 1960 would have paid for the operation costs of these projects for a number of years.

By contrast, the watershed next to Big Indian Creek has already started construction work and is about 80 percent completed. The streams in this area did practically no damage this year. They were, indeed, very well behaved.

We have these classic examples of what can be done, the amount of money that can be saved, in every part of the Midwest. I hope that this program can eventually be spread to include every part of the Nation.

The present bill will be a major step in achieving that ambition. It provides a total of \$32 million for this work, an increase of \$9,250,000 over last year's appropriations and an increase of some \$4,250,000 over this year's budget estimates.

Mr. Chairman, this kind of increase cannot be considered a waste of tax dollars; it is, instead, a wise investment of public funds in the future of America. It is estimated that each year flood damage costs the American people over \$1 billion. Of this amount, some \$500 million or more is in the form of damage to farmlands in the upper valleys, the watershed areas. If, by making an investment of \$32 million we can cut down this extravagant waste of soil and other resources, we are making a major investment in America.

Every ounce of this valuable soil will some day be needed. We are a nation presently rich in natural resources, but every economist and every forecaster

points to the day which is not too far distant when the United States will be straining its reserves to provide enough food for its growing population. This valuable asset must be preserved if we are to face these critical times of the future with confidence. I am highly gratified that the committee has seen fit to take the necessary steps.

Concerning the school lunch program, I feel that it, too, is an investment in the future. It is an effort to help develop our most important of all resources, the youngsters of the Nation.

I have heard many times and in many places the stories of benefits which have accrued to the Nation through this hot lunch program. I believe in it; I have always believed in it.

There are some 39 million school-age children in the United States today. Approximately 30 percent of these children benefit directly from the hot lunch program. For many of these youngsters it is the only decent meal they get during the course of the day. It is the only effort at balancing the diet of many thousands of them.

The present bill provides an outright appropriation of \$110 million for this program. In addition, it provides for transfer of \$45 million from section 32 funds to provide meats and so forth for the program. This makes a minimum of \$155 million for the hot lunch program and it is my sincere hope that this will be augmented during the course of the year by transfer of other commodities to the program from our surplus stocks.

Mr. Chairman, both of these programs represent increases over the recommendations contained in the President's budget. I do not consider either of them to be a waste of tax dollars, or a depletion of the Nation's wealth. I consider both of them to be rather a wise and sound investment by this Congress in the future of America. I can and do most heartily recommend both of these increases to my colleagues on both sides of the aisle. It is my hope that they will be retained in the bill, as is, upon final passage.

Mr. ANDERSEN of Minnesota. Mr. Chairman I yield 10 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I come to the well again in this session still the low man on the totem pole so far as the composition of this subcommittee is concerned. It is no secret that during this year and the past year I have been at odds with members of the majority and sometimes even to some degree with members on my own side. I guess this stems from the fact that I try as best I can to represent the thinking of the majority of the farmers in my congressional district back in the heart of Illinois. The general philosophy of those farmers is that eventually they would like to get back to a free system. They do not like controls and they do not like allotments and they do not like Government regimentation of any sort. They want to be free to be on their own to chart their own course. So my whole philosophy reflects that thinking which is prevalent among the farmers of my district.

I am sorry that last Friday it was necessary for me to be out at St. Louis

University on a prior commitment when the subcommittee was reporting to the full committee. The report of the committee was airmailed special to me and I read it on the plane coming back today.

It is in a sense the chairman's handiwork, and this is his privilege as chairman of our subcommittee. He knows that many times I disagree with him, always in good faith. It seems to me that the first 20 pages of the report are pretty much a political speech. I suspect that if I spend 25 or 30 years here I could make my own political speech, if it becomes my pleasure to author a report at some future date.

Let me go over several of the items in the few minutes I have. We find on page 2, for instance, a discussion of the decline in farm income. Farm income has declined, but it compares with the period of time from 1932 to 1952, making no mention of course that in that time there was a serious depression and that as late as 1939 there were still 9 million unemployed. Then, of course, we had World War II and then a few postwar years following the war, and again another war, the Korean conflict. All that has a definite effect, I would say, on what farmers were getting for their commodities as against the peaceful years from 1953 to the present day.

On page 4, in talking about the programs that have been enacted through this administration by this Congress, and the item of \$25.8 billion of cost, \$8 billion coming from reduced price supports. Of course, there is no mention made of what the cost might have been had we had rigid 90-percent price supports. There is nothing in the record that would indicate if we had rigid 90-percent price supports what the cost might be. The \$8 billion could very well be double that amount with high rigid supports.

Then the soil bank program costing \$4.3 billion. I differed at times with the department in the administration of the soil bank program. My own feeling would be that Congress itself, since we are writing the laws, should have said "crop acres" or "productive acres" and not have left it up to the discretion of the farmer himself to put his creek bottom land in the soil bank or in the conservation reserve. It seems to me our responsibility here is—if we intend to put crop acres and good productive acres into the bank, we ought to say so in the law and if we do not say so, why should we criticize the people downtown when in this vast and massive program, they cannot keep on top of every single one of them?

Then on page 5, in talking about the reduced net income over a period of 7 years to the extent of 20 percent, we discount to a degree the decline in farm population which from 1950 to 1960 declined 23 percent from 7½ million to 5.8 million, and under the best predictions from the department, we will find the farm population declining in the sixties another 12 percent.

It seems to me when we are talking about "farmers tending to increase their production as farm prices are reduced," we discount altogether the matter or the idea that a farmer regardless of what

conditions prevail would not want to increase his farm production.

If we might move along to Public Law 480, and the criticism that has been levelled against the program, it seems to me that the Secretary and the department ought to be commended for the amount of surplus commodities that we have been able to peddle overseas although I am concerned, having visited a number of foreign countries, at what is involved when we get paid not in dollars but rather in local currencies. I was glad when we were in Japan to find that one product which does sell in Japan for dollars is \$100 million worth of soybeans of which we produce so much in my area and in the entire State of Illinois. When I was in Thailand we were criticized, or our Government was criticized, because of the amount of grain we were sending to Indonesia. Why? Because the export of rice from Thailand to Indonesia was their second best source of revenue.

So it is not just a simple matter for the Secretary or our officials to peddle our surpluses. There are a number of complex problems to be considered. I think they ought to be commended for what they have been able to dispose of.

On page 10, there is discussed the Commodity Credit Corporation and suggestions to the extent that the board should be full-time employed individuals of the Department rather than simply those individuals in the Department who are in the capacity of Secretary or Under Secretary or Assistant Secretary and so on down the line.

I have some mixed emotions about this particular proposal although I am very mindful that here we have a corporation with such tremendous assets, it seems to me that just about full time has to be devoted to the business of administering the business of this vast corporation. My mind is open on this particular suggestion. But I do not think the committee erred in opening it up for discussion.

On the matter of grain storage on page 11, I think we should be temperate in our criticism. When one says we should utilize Government storage when available, rather than private storage, what happens when the Government storage is in the State of Washington and the grain is in Ohio or Indiana or Pennsylvania? Do we pay the cost of freight from one coast to the other, just in order to get it into Government storage?

Mr. WHITTEN. I think the point the gentleman makes is a good one.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. AVERY. I think the gentleman was on the floor when I had a colloquy with the gentleman from New York [Mr. SANTANGELO] in respect to the storage matter. After I had concluded my remarks, I think the record was left in this position: that the Department of Agriculture had advised at least some Members of the House that Government-owned storage was costing only about 6 cents a bushel. I would like to propound a question to the gentleman from Mississippi [Mr. WHITTEN]. Has the De-

partment of Agriculture ever furnished the committee that figure?

Mr. WHITTEN. I do not have any such information. They may have supplied it to some individual. I have not had any such statement that I know of. I do not mean to be all inclusive, because there are about 8,000 employees in the Department, so what somebody may have told somebody else I do not know.

Mr. AVERY. Did I understand the gentleman to say that the committee itself had made some study of the cost of this storage?

Mr. WHITTEN. We have made about three investigations through the years.

Mr. AVERY. I mean recently.

Mr. WHITTEN. We had one this year.

Mr. AVERY. What did that reveal as to the cost of Government storage?

Mr. WHITTEN. Again I am sorry I cannot give the gentleman that information right offhand. If you leave it for 2 years it costs one amount. If you

turn it over it costs another amount. So there is no set figure, but it did show that in some instances it would be much more economical, in my opinion.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MICHEL] has expired.

Mr. WHITTEN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. AVERY. Mr. Chairman, will the gentleman yield again?

Mr. MICHEL. Glad to yield to my friend.

Mr. AVERY. Does not the gentleman from Mississippi concede that it is not according to correct practice to put into a committee report that the storage rates are excessive and issue a mandate that they should be reduced when he says he does not know what the cost is?

Mr. WHITTEN. There are not many places where the Secretary and I agree, but he said they were excessive and he cut them. We say we agreed with them.

So that apparently we are in agreement. He said they were excessive and cut them.

Mr. AVERY. I am trying to find out what the committee finds.

Mr. WHITTEN. I hate to quote the press, but according to the press the Secretary said his own investigation had nothing to do with it. This is done from our own studies.

Mr. AVERY. All I am asking the gentleman is, can he tell us what the study showed as to the cost of Government storage?

Mr. WHITTEN. I am not giving the details because I do not have them. They were sufficient because the Department reduced the rates. We in our report urged them to reduce them and urged them to use the Government storage when they were more economical.

Mr. AVERY. I appreciate the gentleman yielding to me. I include the following chart:

Cost of handling grain—Expense per bushel, elevators Nos. 1 and 3

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Rated capacity.....	16,000	16,000	16,000	22,000	22,000	27,000	27,000	83,000	215,000	275,000	275,000	370,000	446,000
Bushels handled.....	424,877	312,667	301,119	337,161	534,246	396,837	248,999	609,765	427,199	403,134	311,833	700,470	598,913
Shrink.....	2,793	2,154	2,360	2,729	3,797	1,792	2,358	2,728	2,136	1,953	1,439	1,953	224
Operating expense:													
Salaries and labor.....	\$0.01566	\$0.02292	\$0.02754	\$0.03615	\$0.02820	\$0.03898	\$0.05649	\$0.03105	\$0.03574	\$0.04236	\$0.05559	\$0.03187	\$0.04682
Repairs and supplies.....	.00486	.00292	.00340	.00344	.00372	.00655	.00449	.01162	.01469	.01561	.01189	.01527	.02190
Utilities.....	.00176	.00302	.00284	.00221	.00421	.00549	.00678	.00480	.00667	.00874	.00955	.00693	.00565
Insurance.....	.00267	.00369	.00383	.00336	.00286	.00451	.00842	.00390	.00883	.00943	.01999	.00998	.01207
Taxes.....	.00162	.00241	.00231	.00167	.00191	.00191	.00327	.00129	.00196	.00304	.00392	.00468	.00779
Other expense.....	.00333	.00397	.00363	.00367	.00593	.00708	.01165	.00528	.00694	.01102	.01286	.01529	.02092
Shrink.....	.01315	.01033	.01175	.01403	.00880	.00903	.01894	.00895	.01000	.00981	.00934	.00492	.00159
Total operating expenses per bushel.....	.04305	.04926	.05530	.06453	.05563	.07355	.11004	.06689	.08483	.10001	.12314	.08895	.11674
Depreciation.....	.00382	.00561	.00751	.01117	.00781	.00946	.01637	.00579	.01415	.02167	.02988	.03781	.03546
Total expense per bushel.....	.04687	.05487	.06281	.07570	.06344	.08301	.12641	.07268	.09898	.12168	.15302	.12676	.15220

Mr. MICHEL. That is very well. I would say to the gentleman from Kansas that my own position would be of course that many times we need storage and we need it now. Who is to say that the Government could build storage more efficiently at the moment than some private industry? We have to pat them on the back for supplying the storage when they did, in times of critical need, and refrain from casting a blanket indictment against all when most have acted in good faith.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Happy to yield.

Mr. BROOKS of Louisiana. I want to say I am thoroughly in accord with what the gentleman has had to say with reference to using available storage if it is located in the right areas. Recently, however, it came to my attention that the military was withdrawing from a certain plant which was suitable for storage purposes. I took the matter up with the CCC and suggested that it might be available for grain storage. I have a letter in reply from them to the effect that public storage was not usable, that they wanted private storage even if it had to be constructed. I know the gentleman does not go along with that.

Mr. MICHEL. No; certainly not.

Mr. BROOKS of Louisiana. But certainly if public storage is available and

can be adapted to the program it seems it seems to me it should be used.

Mr. MICHEL. The gentleman will agree that when public storage is available and suitable for the storage of grain it should be used, but there are a number of problems involved and factors that have to be taken into consideration, such as aeration and so forth.

Mr. BROOKS of Louisiana. But they should look into its adaptability to storage and use it if possible. They do not want public storage if it will cost a great deal to adapt public storage to the purposes indicated. I can understand that, but they should not take an arbitrary stand in the matter.

I say further to the gentleman I recently read an article to the effect that we were paying \$1 million a day for grain storage, and paying \$2 million a day for overall storage. If that is correct surely we should use public storage if it is adaptable for the purpose and properly located and would cost less than storage which has to be built by private enterprise for that particular purpose. The gentleman I am sure agrees with that.

Mr. MICHEL. Yes sir.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. BREEDING. I would like to commend the gentleman from Illinois for

his stand on this matter and make the point that in our area of Kansas if it had not been for private enterprise creating grain storage we would not have had any, for there is not any public storage of any consequence available. I think a good deal of unjust criticism has been directed at the grain storage people, saying they are riding the gravy train, and so forth, whereas if it had not been for them, if it had not been for private enterprise, we would not have had any storage in my State of Kansas; the farmers would not have had any place to store their grain.

Mr. MICHEL. I appreciate the gentleman's contribution.

If I might make another point it would be in the area of the conservation reserve program and ACP payments. Last year I offered a cutting amendment to the bill and I was soundly defeated by about 2 to 1 majority. This year, of course, there is no change in the complexion of the Congress and I do not know that my arguments would be any more persuasive this year than last. I still say, however, that in this bill there is no rhyme, nor sense, nor reason for the Federal Government's footing the bill on any farm for taking out hedges or tearing down stone fences and one thing and another, which is still the practice. When I was a boy on the farm we rooted out our own

hedgerows on the farm with horses and a scraper. Many a harness and tugs were broken in this operation but I see no reason why people today cannot do the same thing on their own. If it is a matter of tearing down stone fences I do not see why we have to come to Washington to get Federal aid to tear down stone fences, but this is still a practice under the ACP program.

Mr. Chairman, in my remaining minute or two may I simply conclude by making my own little political speech in answer to the first 20 pages of our report and I would do by making these six points:

First. The Democrats bequeathed the Eisenhower administration an agricultural time bomb composed of obsolete, depression-bred, war-born farm laws. Despite endorsement of flexible supports for peacetime in platforms of both political parties, these old laws were continued until over \$7 billion worth of surplus had been accumulated in 1955.

Second. The administration has repeatedly urged Congress to pass reasonable farm legislation truly beneficial to farmers. Congress has been controlled 23 out of the last 27 years by the Democrats. Most of the time Congress has talked about the problem and, in the few instances where they have acted, they have only passed a few bills that would have been another dose of what made the patient ill in the first place.

Third. Experience proves that the price-fixing and acreage-control programs have not worked, but many Democrats prefer to ignore this fact. It appears they will either not admit to the facts or else prefer to perpetuate the problem and attempt to profit politically.

Fourth. Because of efficiency and hard work, the American farmer produces for himself and 25 others. Artificial price incentives established by excess Government interference have contributed toward a superabundance in some crops. Many Democrats exemplify the greatest surplus problem—the surplus of demagoguery—when they talk but do not act. After years of attacking the administration proposals, only in recent weeks have a few Democrats come forth with a modification of the old discredited Brannan plan and the 1960 version is even more of an economic monstrosity which would impose unrealistic production cuts and slash national farm income while greatly reducing farm purchasing power.

Fifth. The Democrats for years, and regularly in campaign years, have wept for the plight of the small farmer while doing little to help him. The outmoded farm laws helped the big operators the most, who need it the least. The rural development program created by this administration and operating successfully in over 30 States in the first concerted effort to assist small, low-income farmers who need help the most.

Sixth. The Democrats compare farm prices during the Korean war period with farm prices during the 7 peacetime years of the Eisenhower administration. Actually per capita farm income has been at record high levels during this administration, exceeding even the war

years. Instead of using the years 1949 or 1950, which were postwar years comparable to the last 7 years, they stress the 1951 and 1952 levels. American farmers and their sons want to drive tractors instead of tanks.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the remarks of the gentleman from Iowa [Mr. JENSEN] may be placed immediately following mine in general debate, so as to have them consecutive in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

(Mr. HOEVEN (at the request of Mr. ANDERSEN of Minnesota) was given permission to extend his remarks at this point in the RECORD.)

Mr. HOEVEN. Mr. Chairman, the farm problem is just like the weather—we all talk about it but do nothing about it. There are many dedicated Members of Congress who are earnestly striving to find a solution to a most perplexing situation. I am one of them.

Everyone knows that agriculture is the soft spot in our national economy today. The farmer's income continues to go down while his operating expenses continue to rise. Hence, the American farmer is definitely in a price-cost squeeze. I am sure we all agree that the farmer is entitled to his share of the national wealth and productive capacity of this Nation. Our main problem and concern is to bring this about. We must all realize that we are presently passing through an agricultural revolution. Our farms are rapidly becoming completely mechanized and, as a result, farms are getting larger in order that farming may be a profitable business. We have more part-time farmers than ever before who are compelled to go into industry to augment their income. I personally regret the passing of the so-called "family size farm" and the trend toward corporation farming. This not only disturbs farm community life as we once knew it, but it is taking many people out of our agricultural communities. This certainly is not good for America.

The composition of the Congress has changed a great deal since the time when Representatives from farming districts were a potent force in enacting farm legislation. Due to the trend of population into the urban areas of this country, farm representation in the Congress is becoming less and less and, hence, it has also become more difficult to enact any kind of major farm legislation. If legislation is enacted, it must not only satisfy farmers but the people in the city as well.

Another handicap facing agriculture today is the diversity of views regarding farm legislation as expressed by our various farm organizations. If there was more general agreement among these groups as to the type of legislation actually needed, legislating in this field would not be so difficult. In this connection, I long ago advocated a White House Conference on Agriculture at which the problems of agriculture could

be discussed with the leaders of farm organizations and other experts at the highest level in the hope that such a meeting might prove constructive. I still think this is a good idea.

Furthermore, I sincerely believe that the problems of agriculture should be completely divorced from partisan politics. There is no reason in the world why agriculture, the Nation's basic industry, should be kicked around by political parties in order to gain votes. The American farmer deserves better treatment than that. Members of Congress approach the question of foreign affairs and national defense on a non-partisan basis. On these issues we stand united, but when it comes to dealing with agriculture, we continue to spar for political advantage. This is another important reason why it is so difficult to enact proper and sensible farm legislation, especially in an election year.

I will be very much surprised if the present Congress will do anything very constructive in passing adequate and proper farm legislation at this session. Aside from general consideration involving the entire farm problem, we all realize that something must be done to cut down on farm surpluses, particularly wheat. It seems to me that wheat legislation should have the highest priority as far as this session is concerned. President Eisenhower has indicated that he will approve a wheat bill if it meets the guidelines set out in his special farm message to the Congress. Therefore, if the majority leadership in the Congress really wants a wheat bill which can be enacted into law, all they have to do is meet the President's challenge. Whether or not a realistic wheat bill is passed at this session will depend upon how sincere the Democrat majority really is in trying to do something about it.

(Mrs. SULLIVAN asked and was given permission to extend her remarks at this point in the RECORD.)

Mrs. SULLIVAN. Mr. Chairman, earlier today I asked the chairman of the subcommittee several questions about provisions of the bill before us dealing with poultry inspection. I think the facts clearly show that it was the intent of Congress—and it is the law of the land—that all poultry and poultry products in interstate commerce must be inspected for wholesomeness, and that must entail continuous inspection, not a hit-or-miss sampling system. If this bill provides for less than that, as I am afraid it does, then the situation requires correction. Plants making poultry soups, poultry pies, and other processed foods using significant quantities of poultry in their preparation, should be extended the free inspection service, on a continuous basis, both for their benefit and the benefit of the consuming public. Under a temporary situation which has been in effect, all such further processing plants have been exempted from the new Poultry Products Inspection Act requirement for continuous inspection, but the exemption has been for the convenience of the Government. That exemption expires June 30. After that, all plants in interstate commerce are entitled to have inspectors on their prem-

ises. This is most important. If the additional \$500,000 provided for poultry inspection in the bill is not sufficient to assure such continuous inspection in all plants—including the 300 now temporarily exempt—then more money must be provided. The responsibility cannot be evaded.

However, I do want to say I am pleased that in answer to the request which I made and which several other Members of Congress also made, as well as representatives of the Meat Cutters Union and the poultry processors, that some additional funds, at least, are being provided in the bill for poultry inspection even though the President failed to ask for those extra funds. I cannot understand that failure on the part of the executive department. It seems to me it represented a case of repeal of an important provision of consumer law by the process of appropriation starvation. The Committee is to be commended for recognizing that funds must be available to comply with the inspection law, even if the President did not ask for those extra funds. My concern now is whether the \$500,000 is enough, and whether the technical language inserted in the bill in connection with this extra \$500,000 item is, as I believe it to be, a limitation on the effectiveness of the inspection work in plants which buy chicken parts and carcasses and process them into prepared foods.

Now, Mr. Chairman, I turn to another aspect of agricultural expenditures which concerns me deeply. I refer to the distribution of surplus foodstuffs to the needy. The Department maintains, and the President seems to believe, that our Government is doing a terrific job of distributing surplus food to the needy. Even the committee report seems to swallow some of that. But the reports we are receiving from West Virginia—right now very much in the political news—are that the free food distribution system is a cruel hoax on the needy. The variety of foods distributed is frightfully inadequate to help assure even a minimum diet. It is a dumping program. And yet we have widespread farm distress because farmers cannot sell all they produce of the wonderful variety of foods grown in this bountiful country. Why must any American go hungry when we raise more chickens than we can sell and more eggs than can possibly be sold, produce more butter than we can sell, more fresh fruits and vegetables, more meat, more of everything, and while we are frantically trying to give food away overseas, as the committee report points out?

In this country we are told that technical problems of distribution make it impossible to give out fresh eggs instead of powdered eggs to our needy. We are told it is impossible to give our needy poor an occasional few pounds of chicken, yet we gave frozen chickens to Egypt. The only outlet in this country for surplus fresh foods in the form most people like to eat them is the school lunch program and some of the public institutions. Actually, we have 7 million or more Americans on various forms of public assistance who could also, through a food stamp plan, enjoy

the surplus of our harvests. This would remove the necessity of processing a lot of this food for dumping overseas; for instance, of processing eggs into powder on such a huge scale. Why not fresh eggs for our needy?

The answer, of course, is that our surplus distribution machinery does not have the necessary flexibility for distributing fresh products. It is a warehousing operation, and the food must fit the mechanics of that system.

A food stamp plan, using the neighborhood grocery for distribution purposes, would make possible a continuous flow of surplus farm products in fresh and appetizing form to the very poor who cannot now afford to buy such items.

I intend to discuss the food stamp distribution system in greater detail in the near future. We have the legal authority in the law—at long last—after 5 years of administration obstructionism on it—we have the legal authority for a food stamp plan. In all reverence, I say God knows we need such a program. West Virginia is not the only place in the Nation with stark poverty and many, many needy persons.

And the food—we have more food than we know what to do with. Our vast hoard of food is a storage headache, a budgetary nightmare, a fiscal scandal, and a moral shame considering how much hunger exists on this earth. But we have the food. It could be a blessing, not a curse, if more of it could be used to feed our own malnourished people—millions of them.

I am disappointed that the subcommittee, in drafting the report on this bill, did not see fit to include the suggested language I submitted calling for administration action to institute a food stamp plan. I am also sorry the committee partially swallowed the administration propaganda about the billions of dollars worth of surplus food going to 21 million of needy Americans, when that figure clearly includes many millions of schoolchildren who are not needy—for it includes all distribution under the school lunch program.

The food stamp plan, if implemented, could do for all agriculture on a tremendous scale what the school milk program is now doing for dairy farmers. We spend almost \$100 million a year on this extra milk allowance. It is not a welfare program—it is intended primarily to sell and dispose of milk—a price support program. But no one objects to it. We recognize its tremendous value in building the health of the Nation's children. Along the same lines a food stamp plan would assure better meals also for 7 million or more Americans—and thus establish a vast new market for farm products which now rot in the fields or go overseas as gifts.

Mr. Chairman, when we talk about revitalizing agriculture, why can't we recognize that the best way to help the farmer is to provide him with more customers for what he raises? A food stamp plan would enable us to use up all of our surplus items eligible for support under section 32 as well as much more of the storables. If perishables could be distributed through the neighborhood grocery, we could make full use

of the more than \$300 million available every year under section 32, much of which never gets spent for the purpose for which it was intended.

In conclusion, Mr. Chairman, I think it only fair to point out that in many important respects the subcommittee which drafted the bill now before us has done an excellent job, and I do not want anything I have said to be regarded as a blanket condemnation of this bill or a blanket criticism of the report filed on the bill. I have tried to make my criticisms specific, and I think they are justified.

On the other hand, I applaud the subcommittee for again handling the school lunch appropriation with sympathy for the great importance of this program, and for once again earmarking some of the frequently unused section 32 price support funds for the school lunch program. I back up the committee on many of the statements in the report critical of our surplus disposal program. I particularly want to express my appreciation for the decision of the subcommittee to provide the full budget amount for meat inspection in the Agricultural Research Service appropriation, so that meat inspection for the red meats can continue at the same level as in the current year.

This was one of the items I stressed in my testimony before the subcommittee, in view of the indication the subcommittee gave last year that it thought further processing in the red meats did not require continuous inspection. Since the issue involved last year in meat inspection, as discussed in my testimony, is exactly the same as now confronts us in connection with the inspection of further processing operations in poultry, I sincerely hope the outcome for poultry inspection will be the same.

It is not enough to make sure that the meat and poultry which go into processed foods were wholesome at the time of slaughter; as my testimony before the subcommittee pointed out, meat carcasses or parts—and the same holds true for poultry—can spoil in transport from one plant to another, and often do. The Federal meat inspectors each day condemn large amounts of meat intended for use in processed meat products, even though the meat was wholesome at the time of slaughter. Much can happen to it en route to final processing. The same holds true, as I said, for poultry.

Under unanimous consent, I submit at this point my testimony before the subcommittee, as follows:

THE SCHOOL LUNCH PROGRAM, MEAT AND POULTRY INSPECTION, AND THE FOOD STAMP PLAN

(Statement by Representative LEONOR K. SULLIVAN, of Missouri, before Subcommittee on Agricultural Appropriations, House Appropriations Committee, March 15, 1960)

As members of the subcommittee know, I have appeared before you a number of times in past years to urge adequate appropriations for such items in the Agriculture Department's budget as the school lunch program, meat and poultry inspection, distribution of surplus foods to the needy, and various other programs of the Department of Agriculture which are important to urban areas of our country. I am happy to say that this subcommittee has usually

shown great awareness of the importance of these programs even though the present Secretary of Agriculture has frequently demonstrated very little concern for the consumer viewpoint, and his budget requests have usually been inadequate for consumer-type services conducted by his Department.

I do not want to go into any great detail on the budget items this year. For instance, I know it is not necessary for me to take your time to urge fair treatment for the school lunch program. I am well aware of the fact that the only reason the school lunch program in the past several years has been as effective as it has been is that members of this subcommittee have insisted on it, and the House has demanded such action. I will support you, I can assure you, if, following your review of this appropriation request, you once again recommend more money for this program than the budget recommends.

MEAT INSPECTION

On meat inspection, however, I am not sure we see exactly eye to eye. As I recall, I was the only Member of the House to take the floor last year, during debate on the Agriculture appropriation bill, to protest some language you wrote into your report concerning the matter of further Federal inspection during processing operations of meat products containing meat which had already been inspected for wholesomeness at the time of slaughter. In your report you called for a study of the need for such continuous inspection, indicating that perhaps some money could be saved by eliminating the requirement that meat going into meat pies, and meat products of various kinds made from inspected meat must be inspected again in this secondary processing operation.

The information I have since obtained about this issue strengthens the view I expressed last year. Meat inspectors in St. Louis with whom I have discussed this matter have informed me of numerous instances in which they have spotted and condemned processed meat products which were totally unfit for human consumption, even though the meat which went into them had originally been passed for wholesomeness at the time of slaughter. Each day in St. Louis alone hundreds of pounds of meat products are condemned as tainted, sour, putrid, unsound, contaminated, rancid, poisoned by contact with certain metals, or even containing fragments of glass. So the followup inspection is most necessary.

The meatpackers whom I know are not anxious to poison the consumer. On the contrary, they work hard to assure a safe and sanitary and nutritious product. They are, I might say, among the biggest boosters of an adequate meat-inspection program and are in the forefront of demanding adequate funds for this work. Enlightened business recognizes the importance of maintaining consumer confidence in its product, and that is why the enlightened meatpackers want adequate funds for meat inspection that must include funds for continuous inspection in the processing operations. So I ask that you not attempt to save a little money by cutting this item, because a budget cut on meat inspection would be a serious thing to the consumers of this country and to the meatpackers who are anxious to assure a wholesome product. Only the unscrupulous or fly-by-night operator would benefit from shortcuts on meat inspection, and that is exactly the kind of operator we don't want to benefit from the laws we pass. So I urge the full budget amount be provided for the Agricultural Research Service item for meat inspection, including funds for inspection of processed items.

POULTRY INSPECTION

As you all know, I was one of those Members of Congress who took an active role in

the enactment in the last Congress of the Poultry Products Inspection Act. This act provided for an exemption until July 1, 1960, for the output of those processors for whom the Department of Agriculture could not immediately provide inspectors. The budget for the coming year fails, however, to request the additional funds which will now be required—about \$1 million—to pay the salaries of inspectors who will be needed in the 1961 fiscal year to inspect the output of processors which up to now have been exempt under this provision. I am informed that the Department has suggested new legislation continuing the exemption indefinitely for firms making poultry pies and similar processed items. I would bitterly oppose such a step. The Poultry Products Inspection Act has been of tremendous benefit to the country—to the consumers, the processors, and the farmers. We now have assurances that nearly all the poultry we eat is wholesome. Until a few years ago we did not have that assurance on most poultry. There is no reason to weaken the act by opening up exemptions Congress did not intend and has not agreed to.

Hence, under present law—under law which should not and probably will not be changed between now and July 1—the Department must provide inspectors by July 1, 1960, for about 300 poultry products plants which are at this time still exempt under the act. These are the plants which make poultry pies, soups, etc., and which were originally exempted for a short time because Congress recognized there would be difficulty in hiring enough qualified inspectors to cover all of the slaughtering plants as of the time the new act went into effect, so there was a reason to provide for temporary exemptions of this nature for processors at the convenience of the Department.

But these temporary exemptions expire as of June 30 of this year. No convincing reasons have been put forward to continue those exemptions beyond that time. Most of the exempted plants—about two-thirds of them, I understand—are already set up physically for inspection, and are, in fact, so anxious to have inspection that despite their exemption from the compulsory inspection program they are paying their own funds to have their products inspected under the voluntary Federal poultry inspection program. Obviously, then, inspectors are available for those plants. There is no reason, then, to continue exempting them. They are entitled to have inspection on the same free basis as the slaughtering plants, rather than to have to pay for it out of their own funds.

As for the 100 additional processing plants now exempt and not participating under the voluntary inspection program, we should take direct action to serve notice that as of July 1 they had better be set up for Federal inspection—including the required sanitary conditions—if they want to remain in interstate commerce after that date. The best way to accomplish that sort of warning is for the Congress to appropriate the additional \$1 million which will be required as of July 1 to pay the costs of a complete inspection program for all poultry and poultry products processed and sold in interstate commerce. If we don't appropriate the funds, a lot of these uninspected plants will probably see no urgency in getting set up for inspection—getting the proper equipment and installing required sanitary facilities—and if they have to do this at the last minute, they will really be up against it. For let me repeat that the law allows for no administrative exemptions for poultry in interstate commerce after June 30.

While I am discussing poultry inspection, I might say that I am again wondering aloud as to the wisdom of the Secretary of Agriculture in placing the poultry inspection pro-

gram under the producer-conscious Marketing Service rather than making it a co-equal agency with meat inspection in the more independent-minded Agricultural Research Service. This latest incident of not seeking funds for inspection in the plants which are now temporarily exempted is yet another instance of tepid concern for the consumer interest. I will say that the meat inspection branch, on the other hand, has usually felt much more free to battle for the highest standards of consumer interest in its work.

SURPLUS FOOD DISTRIBUTION—AND FOOD STAMPS

Now I want to ask you to do me, and the Congress, and the American people, a big favor. I want you to write into your report on this bill language which reiterates that it is the intent of Congress that the Secretary of Agriculture utilize the authority he already possesses under law for the distribution of surplus foods to our needy under a food stamp plan, and stating that it is the intent of this committee of the Congress also.

Such a statement in the report will not in itself increase by a single cent the amount you will be appropriating in this bill. For, of course, the Secretary would still have to come back to Congress and to the Appropriations Committee to request a supplemental appropriation if a food stamp plan were actually to go into effect. I would like this subcommittee, however, in connection with the regular agricultural appropriation bill, to make it clear that the Congress is prepared to appropriate the funds for a food stamp plan, if the Department shows its willingness to carry out the intent of Congress and put such a plan into operation.

We have widespread distress among farmers; we have billions of dollars worth of surplus food and we have millions of undernourished Americans—persons not getting enough to eat. The cost of distributing a few surplus foods to the needy at the present time is out of all proportions to the benefits the recipients obtain. Most of these costs are shouldered onto localities which find it uneconomic and burdensome to have a full-scale distribution set up for the purpose of distributing such a little bit of food—items like corn meal and flour and dried skim milk and occasionally some butter or cheese.

Under the food-stamp plan approved by Congress last year, however, these storable items—plus perishables which are removable under section 32—could be distributed directly through the regular grocery stores. The food industry, I am sure, would be delighted to participate for very little or no profit—just if their costs were covered—if the Department of Agriculture would make the effort to set up such a program, and enlist the food industry's cooperation. It would certainly help the farmer.

Therefore, since you are the subcommittee which directs the Department of Agriculture on how to use its money and what to use it for, I ask that you write wording such as this into your report:

"The committee notes that no funds have been requested by the Department for the implementation of the food-stamp plan enacted by Congress last year. While the law gives the Secretary discretionary powers in placing the program into effect, the conference report on the bill extending Public Law 480 made clear that Congress intended that the food-stamp plan should be utilized to distribute surplus food items to needy Americans. The Committee on Appropriations therefore recommends that the Department prepare and submit by July 1, 1960, a detailed plan for implementing the food-stamp law, and that it indicate the cost of putting such a specified plan into operation in the 1961 fiscal year, so that Congress can then appropriate the funds necessary to place a departmental food-stamp program in operation."

The wording is rough—I am aware that you do not need my help in writing the lan-

guage of your report. I am just trying to express the thought. And I sincerely hope you will take this step as a means of ending the complacency of the Department of Agriculture over the tragic contradiction of so much surplus food, so many impoverished farmers, and so many Americans not receiving adequate diets. Thank you.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McINTIRE].

The CHAIRMAN. The gentleman has but 3 minutes remaining.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 3 minutes to the gentleman from Maine.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Maine.

The CHAIRMAN. The gentleman from Maine is recognized for 5 minutes.

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. McINTIRE. Mr. Chairman, I rise simply to ask a question or two to the extent to which time will permit. I would like to direct a question to the committee, and perhaps the chairman of the committee, if I may, in relation to the item of appropriation in this bill concerning the school lunch program of \$110 million. May I say that I concur with the committee in its very careful consideration of this program. I should like to raise a question as to the chairman's opinion concerning the purchase policy which would be applied in relation to items which go into the school lunch program.

In view of the commentary which has already taken place here relative to the importation of food products into our markets, would it be the opinion of the committee that these funds should be directed toward purchase of American products for distribution in the school lunch program?

Mr. WHITTEN. That issue did not come before us in the consideration of this bill. But I certainly would think, in view of the fact that one of the primary sources of our contribution to the school lunch program in addition to appropriated funds is section 32 purchases, which in turn use domestic markets for perishable commodities primarily, anybody handling it could easily see they should use the appropriated funds for purchases of American food. I agree with the gentleman we would anticipate that the fund would be used for the purchase of American products.

Mr. McINTIRE. I appreciate the chairman's reply and I certainly concur with his observation. I believe it is important to have this observation as a matter of record for guidance in the purchase program.

Now, I would like to ask another question. I have searched through the report of this committee and also the legislative document. Is there in this report or in the bill accompanying the report any specific reference to the 5 percent of foreign currencies being used specifically for market development work under Public Law 480?

Mr. WHITTEN. I think there is. We had a reference to that in the report and I think we had some changes in language as to the intent of the act.

We attempted to bring the use of those funds in line with the original act. It is in the report on page 32.

Mr. McINTIRE. I appreciate that response. It has been of concern to some of us on the legislative committee that certain priorities have gotten ahead of market development work. It was our intent in our last extension of the act to place emphasis on the market development work.

Mr. WHITTEN. We discuss that thoroughly on page 32. There is a definite limit as to how far this subcommittee can go in trying to restore the intent of the gentleman's committee.

Mr. McINTIRE. I thank the gentleman. I should like to call attention to the colloquy that took place with the gentlewoman from Missouri today in relation to poultry inspection. It is my understanding from that colloquy that the poultry inspection provision in this legislative document is to provide an additional \$500,000 for inspection and that the language which is inserted in this bill, although perhaps a point of order could be made against it, does perhaps release the Department from the mandatory provisions of the original Poultry Inspection Act.

Mr. WHITTEN. It is modified some, but it is not mandatory. It does give the Department some discretion as to how much inspection is required, which is provided in the basic law.

May I say to the gentleman that I do not quarrel about jurisdiction. There is enough work around here for everybody to do, but I do say, as the gentleman well knows, that no matter what legislation you might pass, if we do not give the money we do not have the program. Involved here is an effort to get together on the views of all concerned.

Mr. McINTIRE. I appreciate the chairman's comment.

I would like to comment further. I follow with interest the rural resources program of the Department of Agriculture. I appreciate the fact that there is provided in this bill \$2 million, but there are some people who feel that this program could well stand some further expansion, and I certainly would appreciate, as I am sure each member of the committee has already done, a careful review of this program, because I think we are on common ground in this respect.

There is one other area which causes me some concern. I am sure that the chairman and the members of the committee have given it close attention. I notice throughout this report that provision has been made for increased personnel costs, changes in grade, the wage and benefits provision under the existing Classified Employees Act. However, in the provisions made for the administrative expenses of the Farmers Home Administration there seems to be no provision for this factor. I am advised that the Civil Service Commission has required the upgrading of the clerks, which costs \$150,000 annually, and a wage and benefit increase of \$150,000; then some normal step increases, and that there is need for about \$500,000 here to be comparable with other divisions of the department.

Mr. WHITTEN. May I say to the gentleman that these promotions that he has mentioned will have to be made from funds available. The question arises then whether the Farmers Home Administration should have that much additional money. In view of the relatively small workload in some sections of the country, it was felt that the problems of this agency could be met by the overall funds here. Again, it will be reviewed in the other body, and we will see what they think should be done.

Mr. McINTIRE. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. KYL].

(Mr. KYL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, I am deeply concerned with the attitude apparently held by a number of my colleagues—an attitude that the farmer is in good financial condition. He is not. Preliminary census information indicates that my district of Iowa has again lost population—this is a direct reflection of agriculture's financial problem—now a problem of our small towns and cities as well.

There is need now, for broad legislation which reaches the basic causes of this situation. There are numerous proposals which would help. We will never vote on these proposals unless we are concerned with farmers rather than farmers' votes. This legislation is a first step. Beyond this we must take a long look at farm imports. Third, we should improve our agricultural reporting service to make it a truly effective guide for production.

Finally there is the job of finding new uses and new markets for agricultural products.

I do not care who introduces or supports attempts at effective legislation. Politics should not interfere with an honest attempt to find the solution.

The CHAIRMAN. All time has expired. The clerk will read.

The Clerk read as follows:

Research: For research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services, including administration of payments to State agricultural experiment stations, \$67,934,000: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a), or to not to exceed \$1,000,000 to remain available until expended for the construction and alteration of buildings: *Provided further*, That the Secretary of Agriculture may sell the Entomology Research Laboratory at Orlando, Florida, in such manner and upon such terms and conditions as he deems advantageous and the proceeds of such sale shall remain available until expended for the establishment of an entomology research laboratory: *Provided further*, That in the establishment of such laboratory the Secretary may acquire land therefor by donation or exchange;

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. WHITTEN. Mr. Chairman, reserving the right to object, it is my understanding that the part to be read would not be subject to amendment.

Mr. ANDERSEN of Minnesota. I withdraw my request, Mr. Chairman.

The clerk read as follows:

DISEASES OF ANIMALS AND POULTRY

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U.S.C. 391; 21 U.S.C. 111-122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, corporations, or agencies of the Department such sums as he may deem necessary, to be available only in an emergency which threatens the livestock or poultry industry of the country, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts: *Provided*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service".

Mr. AVERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this in order to propound a question to the distinguished subcommittee chairman, the gentleman from Mississippi [Mr. WHITTEN]. Could the gentleman advise us what his plan of procedure is for the remainder of the time this afternoon? Are you going to read the entire bill?

Mr. WHITTEN. It was my hope to read the entire bill. If the session stretches out too long, of course, then we would rise, say, at 5 o'clock.

Mr. AVERY. And the gentleman hopes to complete work on the bill this evening?

Mr. WHITTEN. I certainly would hope so, but it will go over until tomorrow for a final vote.

Mr. AVERY. Well, Mr. Chairman, I, of course, am in no position to object. It was my understanding we were just going to conclude general debate this afternoon and read the bill under the 5-minute rule tomorrow.

Mr. WHITTEN. It was my understanding with the leadership that we would proceed but that any vote would go over until tomorrow. That was my understanding individually, so that I am carrying out what I understood to be the situation.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

EXTENSION SERVICE

Cooperative extension work, payments and expenses

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), \$54,220,000; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000; in all, \$55,715,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the

Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year: *Provided further*, That all of the additional funds provided herein shall be used to meet expenses at the county level.

Mr. YOUNGER. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, had come to no resolution thereon.

JOINT COMMITTEE ON INTELLIGENCE MATTERS

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, I wish to advise the House that I have again contacted the Committee on Rules, urging favorable action on House Joint Resolution 31, and similar resolutions pending before the committee. House Joint Resolution 31 provides for the establishment of a Joint Congressional Committee on Intelligence Matters.

The recent downing of a U.S. plane over Soviet Russia, and the conflicting reports that follow, again underscore the necessity for the approval of this proposal.

There is a drastic need for improved coordination of our Nation's intelligence activities, and for better contacts between the Congress and the executive branch in this vital field.

When I first introduced my proposal in 1953—in the form of House Concurrent Resolution 169, 83d Congress—I pointed out that over a score of separate agencies, offices, and bureaus are independently engaged in intelligence-gathering activities;

That the Central Intelligence Agency, created for the purpose of coordinating and evaluating intelligence, has not given adequate emphasis to its basic statutory functions and had become an intelligence-gathering organization in its own right;

And that intelligence matters have been handled in a piecemeal, at times almost slipshod manner from the congressional standpoint.

Those facts were in evidence in 1953, and they are still in evidence today.

Two years after my original proposal was introduced, the Hoover Commission, in its "Report on Intelligence Activities," endorsed and called for the creation of a Joint Congressional Committee on Intelligence.

On June 28, 1955, the Hoover Commission stated—in its one and only recommendation on the subject of intelligence

activities—that our Nation needs a congressional "watchdog" committee, patterned on the Joint Atomic Energy Committee, to collaborate with the Executive on matters of special importance to the national security.

On January 17, 1955, when the 84th Congress convened, and even before the Hoover Commission submitted its recommendations, some 20 Members of this House joined me in reintroducing the proposal to establish such a "watchdog" committee.

On July 6, 1955, at my request, the Committee on Rules granted a hearing on this legislation. After 2 days of hearings, the committee took no action to place the resolution before the House but assigned a subcommittee to study the proposal.

This action was followed by a second hearing before the Committee on Rules, held on January 31, 1956. In spite of our efforts, however, the resolution did not advance to the House.

With the help of interested colleagues, I again revived the effort to bring this proposal before the House when the 85th Congress convened, by introducing House Concurrent Resolution 49, and asking for an early hearing.

I followed this by reintroducing the proposal in the 86th Congress in the form of House Joint Resolution 31 and House Concurrent Resolution 11. Both of these measures are pending before the Committee on Rules.

Mr. Speaker, I have mentioned all these steps merely to show that the proposal to establish a Joint Congressional Committee on Intelligence Matters is not a rash proposal brought out by a single international incident.

It is a well-thought-out measure, which I have repeatedly brought to the attention of the House for the past 7 years.

I do not believe that House consideration of this proposal should be delayed any longer. The facts of the international situation, and the facts relating to the operations of executive intelligence agencies, speak for themselves.

I earnestly hope that the Committee on Rules will promptly schedule House Joint Resolution 31, or House Concurrent Resolution 11, for floor debate and a vote.

RELIEF OF DISPLACED BUSINESSES

HARDSHIP FOR FAMILIES AND

(Mr. RAINS asked and was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

Mr. RAINS. Mr. Speaker, I have today introduced two housing bills, the Home Financing Act of 1960 and the Relocation Assistance Act of 1960, to serve as a frame of reference for the extensive hearings on general housing legislation to be held by the Housing Subcommittee beginning May 16. I would like to emphasize, Mr. Speaker, that these two bills incorporate a number of new suggestions and proposals to help improve our home financing programs and to bring relief to families and businesses forced to move because of the

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: House passed agricultural appropriation bill. Representatives McIntire, Gathings, and Dixon introduced farm labor bills.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1961. Passed with amendments this bill, H. R. 12117. pp. 9315-47, A4071-2

Agreed to the following amendments:

By Rep. Cooley, 116 to 67, to strike a provision of the bill which would have provided that no part of CCC funds may be used to formulate or administer a program which provides for reclassing of CCC cotton after time of sale to private individuals or organizations. pp. 9323-36

By Rep. Yates to provide that none of the funds appropriated shall be used to formulate or administer any program which does not provide for maximum use of Government-owned facilities for storing surplus commodities consistent with the economical operation of CCC. pp. 9336-9

By Rep. Brown, Ga., to strike a provision of the bill which would have provided that no part of the funds appropriated could be used to pay any employee or office, except the Secretary of Agriculture, who, in addition to other regularly assigned responsibilities, serves as a member of the board of directors or as an officer of CCC after Feb. 1, 1961. A point of order by Rep.

Brown against this provision was overruled earlier by the Chair. pp. 9339-44

Rejected the following amendments:

By Rep. Quie, which would change ACP language to eliminate the necessity for county committee approval of 5 percent transfers to SCS for technical services, and which he explained would "change the present procedure whereby the county-by-county transfer of 5 percent of ACP money to SCS when they give technical assistance to ACP would be changed to a direct appropriation" so as "to provide for the expeditious use of this money so that it would not depend on the county-by-county transfer arrangement" and "would allow the full 5 percent moneys as has been the custom in the past to be used for this technical assistance by SCS." pp. 9316-7

By Rep. Lipscomb, 22 to 52, to limit to \$800,000 the amount of Foreign Agricultural Service salaries and expenses appropriation which could be used to purchase foreign currencies. pp. 9318-9

A point of order by Rep. Marshall was sustained against the entire subappropriation "Marketing Services" which includes market news, inspection and grading, packers and stockyards activities, and several other regulatory activities, thus eliminating this subappropriation item from the bill. p. 9318

Rep. Gubser submitted, but later withdrew, an amendment which would have provided that no part of any funds appropriated for the agricultural conservation program could be utilized to survey acreage which had been certified by a member of the Society of Professional Engineers. p. 9317

2. WATERSHEDS; FARM CREDIT; GUAM. The Agriculture Committee voted to report (but did not actually report) the following bills: p. D402
H. R. 11615, with amendment, to amend Sec. 4 of the Watershed Protection and Flood Prevention Act so as to authorize Federal assistance on watershed projects prior to the acquisition of land, easements, or rights-of-way needed in connection with works of improvement installed with Federal assistance.
H. R. 9866, with amendment, to authorize this Department to provide a program of agricultural services to Guam.
H. R. 10310, with amendment, to amend the Farm Credit Act of 1933 so as to provide for increased representation by regional banks for cooperatives on the Board of Directors of the Central Bank for Cooperatives.
3. LIBRARY SERVICES. A subcommittee of the Education and Labor Committee voted to report to the full committee H. R. 12125, to amend the Library Services Act so as to extend the appropriation authorization for 5 years. p. D403
4. PERSONNEL; EMPLOYEES COMPENSATION. A subcommittee of the Education and Labor Committee voted to report to the full committee H. R. 10705 (amended and a clean bill is to be introduced), to make various amendments to the Federal Employees' Compensation Act regarding injuries to employees while in the performance of their duties. p. D403
5. ELECTRIFICATION. A number of Representatives commended the work of REA and expressed their congratulations on its 25th anniversary. pp. 9348, 9349-75, 9377
6. HOUSING. Received from the Housing and Home Finance Agency a proposed bill "to amend the National Housing Act to remove certain limitations on the aggregate amount of outstanding mortgage insurance"; to Banking and Currency Committee. p. 9378

House of Representatives

WEDNESDAY, MAY 11, 1960

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Colossians 4: 5: *Walk in wisdom toward them that are without, redeeming the time.*

Almighty God, in this moment of worship may there come into our bewildered minds and troubled hearts a reassuring sense of Thy presence and power, inspiring us with feelings of serenity and stability.

Grant that whenever we enter the sacred retreat of prayer our faltering spirits may be lifted from the lowlands of doubt and fear to the lofty heights of faith and courage, confident that our dream, of peace on earth though delayed, will not be defeated.

Show us how we may help men and nations everywhere find the fellowship of Thy love and follow the light of Thy truth and walk together in the paths of mutual trust and good will.

We earnestly beseech Thee that our President, our Speaker, our Congress, and all who guide the affairs of our national and international life, may have a clear vision of Thy divine purpose and the wisdom and the will to pursue it faithfully.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 11713. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

AUTHORIZING RESALE OF CERTAIN SHIPS TO THE REPUBLIC OF CHINA—CONFERENCE REPORT

Mr. GARMATZ submitted the following conference report and statement on the bill (H.R. 8042) to authorize the Secretary of Commerce to resell four C1-SAY-1 type vessels to the Government of the Republic of China for use in Chinese trade in Far East and Near East waters exclusively:

CONFERENCE REPORT (H. REPT. No. 1600)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8042) to authorize the Secretary of Com-

merce to resell four C1-SAY-1 type vessels to the Government of the Republic of China for use in Chinese trade in Far East and Near East waters exclusively, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

EDWARD A. GARMATZ,
LEONOR K. (Mrs. JOHN B.) SULLIVAN,
GEORGE P. MILLER,
THOR C. TOLLEFSON,
WILLIAM K. VAN PELT,
Managers on the Part of the House.

WARREN G. MAGNUSON,
E. L. BARTLETT,
ANDREW F. SCHOEPPLE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8042) to authorize the Secretary of Commerce to resell four C1-SAY-1 type vessels to the Government of the Republic of China for use in Chinese trade in Far East and Near East waters exclusively, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill provided that the sales price of the two vessels authorized to be sold should be the statutory sales price less payments already made from 1948 to 1951 on account of the purchase of four vessels.

The Senate amendment provided that the sales price of the two vessels should be the statutory sales price less payments already made from 1948 to 1951 on account of the purchase of four vessels and less depreciation computed at the rate of 3½ per centum per annum from the date of default under the original contract to the date of sale under this Act.

The action of the conference would accept the method for determining the sales price provided in the Senate amendment.

The amendment of the Senate to the title of the bill was also accepted by the conference in order to make the title consistent with the body of the bill.

EDWARD A. GARMATZ,
LEONOR K. (Mrs. JOHN B.) SULLIVAN,
GEORGE P. MILLER,
THOR C. TOLLEFSON,
WILLIAM K. VAN PELT,
Managers on the Part of the House.

CORRECTION OF ROLL CALL

Mr. GARMATZ. Mr. Speaker, on May 4, roll call No. 69, I am listed as not voting. I was present and voted "yea." I ask unanimous consent that the permanent RECORD and Journal may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

RUMANIAN INDEPENDENCE DAY

(Mrs. BOLTON asked and was given permission to extend her remarks at this point in the RECORD.)

Mrs. BOLTON. Mr. Speaker, Tuesday, May 10, was Rumanian Independence Day, a day which marks Rumania's achievement of national unity and independence. This day was appropriately observed in the House by speeches of Members of Congress, and elsewhere by public gatherings throughout the Nation.

The city of Cleveland includes a large number of persons of Rumanian descent among its populace, and I am privileged to represent many of them in my constituency. They have contributed significantly to every aspect of community life, and are among those who most conscientiously discharge the responsibilities of citizenship.

I am informed that the Cleveland Rumanian Independence Day rally will be held on Sunday, May 15, in the Carpatina Hall. This celebration will provide opportunity for the many friends of Rumania to join in honoring a courageous and resolute people, who have maintained their love of liberty in the face of harsh totalitarianism.

Despite every effort by the Communist rulers to extinguish freedom permanently from Eastern Europe, the Rumanian people retain a steadfast faith in liberation. On the occasion of this Independence Day commemoration, let us renew our historic bonds of friendship with a liberty-loving people and pray that they may soon again live in freedom and independence.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1961

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12117, with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk had read down to and including line 11, page 8 of the bill when the Committee rose last evening. If there are no amendments, the Clerk will read.

The Clerk read as follows:

SOIL CONSERVATION SERVICE
Conservation operations

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, \$83,132,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f), in demonstration projects: *Provided further*, That not to exceed \$5,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service: *Provided further*, That not to exceed \$600,000 of the amount appropriated under this head for fiscal year 1960 may be used to employ conservation aides and other nonprofessional personnel on a part-time or contract basis, and the amount so used may be transferred to and merged with this appropriation.

Mr. BOW. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting]. Seventy-four Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 86]

Alexander	Dooley	Morris, N. Mex.
Alford	Dowdy	Porter
Anderson,	Durham	Powell
Mont.	Elliott, Pa.	Rooney
Anfuso	Flood	Scherer
Barden	Forand	Scott
Baring	Hagen	Shelley
Blitch	Hogan	Sheppard
Bonner	Holifield	Smith, Kans.
Boykin	Jackson	Spence
Brewster	Johansen	Sullivan
Brown, Mo.	Johnson, Colo.	Taylor
Buckley	Kelly	Thompson, N.J.
Canfield	Kilburn	Vinson
Cederberg	Lesinski	Walter
Celler	Metcalf	Weaver
Chelf	Miller	Wilfitt
Coffin	George P.	Winstead
Davis, Tenn.	Mitchell	Young
Diggs	Montoya	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Commit-

tee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 12117, and finding itself without a quorum, he has directed the roll to be called, when 374 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

AGRICULTURAL CONSERVATION PROGRAM SERVICE
Agricultural conservation program

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$242,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1960, carried out during the period July 1, 1959, to December 31, 1960, inclusive: *Provided*, That not to exceed \$26,832,950 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than \$5,458,900 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amounts shall be available for administrative expenses in connection with the formulation and administration of the 1961 program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including administration, and no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That no change shall be made in such 1961 program which will have the effect in any county of restricting eligibility requirements or cost-sharing on practices included in either the 1958 or the 1959 programs, unless such change shall have been recommended by the county committee and approved by the State committee: *Provided further*, That the proportion of the State fund initially allocated to any county for the 1961 program shall not be reduced from the distribution of such funds for the 1959 program year: *Provided further*, That not to exceed 5 per centum of the allocation for the 1961 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties,

and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the 1961 program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and \$1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

Mr. QUIE. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 13, line 24, after the word "program", strike out "for any county may," and strike out line 25 and page 14, line 1, strike out the words "approval of the State Committee".

On page 14, line 6 strike out "in such".

On page 14, line 7 strike out "counties" and "on the recommendation of such".

On page 14, strike all of line 8, except the word "not".

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I offer this amendment which would change the present procedure whereby the county-by-county transfer of 5 percent of ACP money to SCS when they give technical assistance to ACP would be changed to a direct appropriation. There is strong support for this proposal in my State. I can read to you a resolution, which is short, from our Minnesota Association of Soil and Water Conservation Districts:

Whereas the 5 percent transfer of ACP funds has proven inadequate to pay for the additional workload of the local soil conservation district; and

Whereas this 5 percent transfer has caused dissension between districts and ASC committees and whereas additional Federal funds for technical assistance to districts are not available: Now, therefore, be it

Resolved, That the practice of 5 percent transferral of funds be discontinued and that the Soil Conservation Service be appropriated sufficient funds to adequately process all ACP referrals.

What this proposal I have made would do is to provide for the expeditious use of this money so that it would not de-

pend on the county-by-county transfer arrangement.

I notice in the hearings, part I, page 555, the testimony of Assistant Secretary of Agriculture Peterson:

TRANSFER OF ACP FUNDS FOR TECHNICAL ASSISTANCE

From time to time we have discussed with this committee the problems associated with the transfer of agricultural conservation program funds to reimburse the Soil Conservation Service for technical services rendered in assisting farmers with the establishment of certain conservation practices for which cost sharing is available. Last year your committee suggested that the Department give further study toward the simplification of (1) the processes involved in estimating the needs for technical services to be furnished by SCS and (2) the actual determination of costs of technical services rendered to ACP. It was suggested that the study include the feasibility of using a flat charge per hour for the reimbursement of technical services rendered.

The Department has since made an extensive study of this problem and has established new and simplified procedures which are being used in connection with the 1960 agricultural conservation program. The new procedures are substantially simpler on both points recommended by the committee. We have adopted State by State a flat per hour charge for the reimbursement of technical services. We have also adopted State by State a fixed percentage of the amount of the cost of technical services which is to be absorbed by the Soil Conservation Service from its regular funds. Both of these determinations are made on the basis of past history in each State.

We believe these simplified procedures will substantially reduce the paperwork involved in the transfer of ACP funds to SCS. Under the new procedures there is less paperwork involved in developing the transfer agreement county-by-county and we have eliminated the referral-by-referral accountability for transferred funds.

We believe these new procedures are about as simple as they can be made under a county-by-county transfer arrangement. As we have expressed to this committee before, however, we believe that substantial savings could be made if the financing of this work was provided for at the national level.

The transfer of ACP funds for needed technical services seems to have become stabilized for the past several years. Nationwide the transfers have been holding steady at a total of between \$7 and \$8 million annually. We believe it would benefit both programs and afford more services to farmers if a specific dollar amount of ACP funds would be earmarked for technical services in the appropriation act in lieu of the provision for county-by-county transfer arrangements.

The Department of Agriculture is proud of the soil and water conservation progress that has been made in recent years. The programs conceived by the Congress are sound. Our legislative tools, I believe, are adequate. And firsthand observation in the field during the last 5 years convinces me that the programs the Congress has authorized are being carried forward vigorously and efficiently, both by the soil conservation districts and other local organizations, and the Soil Conservation Service. I believe the budget we have proposed will permit us to continue this great work, at a reasonable rate of speed, in fiscal year 1961.

So you see that Assistant Secretary of Agriculture Peterson recommends that this change be made. He states that last year recommendation was made by the committee that the Department make a

study of transfer simplification. This has been done. He further says:

We believe these simplified procedures will substantially reduce the paper work involved in the transfer of ACP funds to SCS.

He said that these new procedures are about as simple as they can be made under the county-by-county transfer arrangement, but he goes on further to say that he believes there should be a change. The Department believes it would benefit both ACP and SCS programs and would afford more services to farmers if a specific dollar amount of ACP funds would be earmarked for technical services in the appropriation act in lieu of the provision for county-by-county transfer arrangements.

My amendment would allow the full 5 percent moneys as has been the custom in the past to be used for this technical assistance by SCS. As I stated, it would be a more expeditious way.

The only disagreement I have been able to find so far in the discussions I have had is the feeling that if we make direct appropriations of the 5 percent ACP funds, the SCS funds may be cut. I do not believe this would be a serious difficulty as long as we agree that 5 percent of the ACP funds go over to SCS. We must provide the funds necessary for technical assistance needed in the ACP projects. I believe strongly that this change would be the most desirable position for us to take.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I, too, have received resolutions through the years like that referred to by the gentleman from Minnesota. The Soil Conservation Service would like to get its hands on this money if it could. We have had a good deal of experience and difficulty with these programs in past years. The Soil Conservation Service was supposed to supply the technical assistance for the ACP work. The ACP started out setting up qualifications. The ACP was supposed to determine where they wanted the work and the SCS had to get the money from them to do the work.

This amendment would throw us back to where we were before the committee took hold of it and changed the requirements as they are in the present bill and program. This money is provided for ACP work down at the county level. But the way it has worked in the past, the ACP organization was the last on the list to get the money.

It was our committee that changed the situation. We feel the local people should determine where they want to spend their money for this assistance and not have somebody take it away from them at the State level.

Mr. QUIE. The county has to get approval of the ACP groups and SCS will do the work.

Mr. WHITTEN. I know the gentleman is doing what he thinks is right.

Mr. QUIE. ACP does not want a transfer of the funds, and so forth.

Mr. WHITTEN. SCS wants to get it without strings attached.

Mr. QUIE. Both parties have to agree. I grant the gentleman's statement is true before we had that reorganization,

before there was coordination between the two, perhaps. They were completely apart for a while. We have brought them together.

Mr. WHITTEN. May I say to the gentleman with all modesty it was this committee that brought them together, and we did it with this vehicle. I do not want to return to what the gentleman advises.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. GUBSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GUBSER: On page 15, line 11, after the word "channels", strike out the period and insert ": Provided further, That no part of any funds appropriated for the agricultural conservation program shall be utilized to survey acreage which has been certified by a member of the Society of Professional Engineers."

Mr. GUBSER. Mr. Chairman, may I say that I fully realize the subject matter of the amendment I have offered has not been considered by the subcommittee and I also admit that it is a matter which should be considered in hearings. I am, therefore, offering this amendment solely for the purpose of focusing attention on the problem in the hope that in the committee hearings next year this proposal will be considered.

A few weeks back members of the Society of Professional Engineers pointed out to me that county ACP committees have refused to accept certified surveys of acreage which had been made by professional engineers and that the county committees have been using their own personnel at Federal expense to conduct surveys.

The professional engineers feel this is a duplication of service and a waste of public funds.

I respectfully request that in the event this amendment is voted down the committee give consideration to this problem next year.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California [Mr. GUBSER].

Mr. Chairman, I appreciate the frankness of the gentleman who offered this amendment. Our committee will naturally be interested in going into the matter thoroughly. We realize when you describe by name a particular organization certain questions come up.

I am hoping that the gentleman will withdraw his amendment on my assurance the committee will look into the subject thoroughly next year.

Mr. GUBSER. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States, \$26,838,000, including not to exceed \$25,000 for employment

at rates not to exceed \$50 per diem, except for employment in rate cases at not to exceed \$100 per diem pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946: *Provided*, That the Department is hereby authorized and directed to make such inspection of poultry products processing plants as it deems essential to the protection of public health and to permit the use of appropriate inspection labels where it determines from such inspection that such plants operate in a manner which protects the public health, and not less than \$500,000 shall be available for this purpose.

Mr. DINGELL. Mr. Chairman, I make a point of order against the language beginning in line 2, page 17, commencing with the word "*Provided*," right down through the end of that paragraph on page 17, line 9.

This constitutes legislation on an appropriation bill.

Mr. MARSHALL. Mr. Chairman, I make a point of order against the entire paragraph, beginning in line 15, page 16, through line 9 on page 17, on the ground it is legislation on an appropriation bill.

Mr. WHITTEN. Mr. Chairman, the committee does not care to oppose the point of order. I do not think there is any question but what points of order lie.

The CHAIRMAN (Mr. KILDAY). The gentleman from Mississippi concedes both points of order. The Chair sustains the point of order of the gentleman from Minnesota and the entire paragraph is ruled out as legislation.

The Clerk read as follows:

FOREIGN AGRICULTURAL SERVICE
Salaries and expenses

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$4,447,000: *Provided*, That not less than \$400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$2,493,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying on the purposes of said section 32.

Mr. LIPSCOMB. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LIPSCOMB: On page 18, line 10, after "\$4,447,000", insert the following: ", of which not less than \$800,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States".

(Mr. LIPSCOMB asked and was given permission to revise and extend his remarks.)

Mr. LIPSCOMB. Mr. Chairman, this amendment provides that of the \$4,447,000 for necessary expenses of the Foreign Agriculture Service, \$800,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States.

The amendment places a limitation of \$800,000 on the direct dollar appropriation use, and applies to the increase recommended by the committee for certain attaché expenses.

In prior years these attaché expenses were paid from foreign currency allocations, and this is the first time these are to be paid by direct dollar appropriation.

The language as proposed by this amendment to this bill is the same as the language included in H.R. 11666 making appropriations for the Department of State, and passed by the House.

From a reading of the hearings there appears to be no evidence that this limitation will hinder the operations of the Foreign Agriculture Service in any way.

Through a limitation of this kind the Congress can help assure that dollars will not be used when foreign currencies are available from the Treasury of the United States.

This amendment is offered, in the last analysis, to protect the interest of the American taxpayer. Certainly every precaution must be provided to assure maximum utilization of foreign currencies owed to or owned by the U.S. Treasury for the operation of this program, rather than, instead, opening the door for possible needless expenditure of dollars. I believe this amendment will provide a necessary safeguard.

Mr. Chairman, I ask favorable acceptance of the amendment.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I certainly am in accord with the purpose of the gentleman who sponsors this amendment. As I said yesterday, as chairman of the committee, we felt that they certainly should use this money to buy foreign currencies and use the foreign currencies to the fullest extent that they can.

Mr. Chairman, in some of the countries where formerly we had available foreign currencies, now that they have gotten back on their feet and are now able to buy some of these surplus commodities, we do not have this great amount of foreign currencies like we did formerly. We used to have considerable foreign currencies in West Germany, for example. However, now no foreign currencies are available in some of those countries, and there is competition between the State Department and various other Departments for what may be available. It is hard to tell at this time just what countries will have currencies and what will not. Now, to say that this money is only available to purchase foreign currencies, I think it will go much further than we should. I say again that we feel the Department should use all of its foreign currency if it can be done, but we do not want by indirection to cancel out some of this work which we think is essential. May I say that the foreign currencies are probably more

important to us in these areas where they have dollars and where we can sell, than in some of the countries where they have no currencies and we have to give commodities to them. So, I therefore hope that the amendment will be voted down, and I assure the gentleman that the department is seeking to do the best possible job and to do what the gentleman seeks to do by his amendment.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I was not aware that this amendment dealt with representation allowances. May I ask the chairman of the subcommittee if it does so deal and if there is there \$800,000 worth of representation allowances in this bill?

Mr. WHITTEN. As to representation allowances, no. This takes care of expenses of operation; travel, secretarial services, costs of preparing reports. The gentleman will remember that a few years ago we arranged, and I think we made great progress, in having agricultural attachés report directly to the Department of Agriculture. They gather statistics in foreign countries on what production is there, as to probable markets, movement of crops and various other matters. I think they have done a splendid job. This is a part of the cost of their work.

Mr. GROSS. I have been unable to find more than \$25,000 for representation allowances, and it is set out as a line item.

Mr. WHITTEN. It is limited to that in the bill.

Mr. GROSS. Twenty-five thousand dollars is all that has been set out as a line item for liquor and entertainment.

Mr. WHITTEN. Yes. But so far as the committee is concerned, we have had no detailed information along the lines the gentleman refers to. You know, these farmer representatives do not go in for all the kinds of entertainment that some of the others do.

Mr. GROSS. I will say to the gentleman that after the information obtained when the Defense Department appropriation bill was before us last week, that there was \$1,300,000 of representation allowances in that bill, and it was to be found under operation and maintenance, as well as various other titles, I do not feel constrained to oppose this very strongly. However, I assure the gentleman and any other chairman of a subcommittee that next year, if I am fortunate enough to be reelected, I am going after each one of these. And I shall tell the gentleman why.

I discovered a day or two ago that the Government is spending the taxpayers' money to finance nine sociologists to study behavior at cocktail parties.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. HOFFMAN of Michigan. I want to ask the gentleman what he is kicking about if the farmers are learning about cocktail parties. I thought the gentleman was for the farmers.

Mr. GROSS. I am not opposed to farmers learning about cocktail parties.

Mr. HOFFMAN of Michigan. Is he against their exercising their civil rights to attend cocktail parties?

Mr. GROSS. I want them to enjoy all their rights, civil and otherwise.

Mr. HOFFMAN of Michigan. Is not the gentleman for the farmer?

Mr. GROSS. Certainly.

Mr. HOFFMAN of Michigan. Then why should they not know about cocktail parties?

Mr. GROSS. They should.

Mr. HOFFMAN of Michigan. Well, all right.

Mr. GROSS. But I would like them to spend their own money to learn.

Mr. HOFFMAN of Michigan. Oh, well, everybody else is getting Government money.

Mr. GROSS. According to a magazine article these analysts have found "that the room in which the bar is situated tends to become crowded; that there is a variety of guests, who will cringe in corners, while others sing, dance, slop martinis on the piano, and pursue members of the opposite sex to the pantry or beyond."

According to the magazine article, this study of cocktail parties is one of a series of studies being made by the U.S. Public Health Service on "Functions of Play in Developing Adult Behavior." How much has been spent on this behavioral business, I do not know, but the article says the total cost to U.S. taxpayers for the series of studies on this subject is \$89,811.

Mr. WHITTEN. May I say to the gentleman that I am glad that he pointed out that this is a Public Health Service matter and not attributed to the Department of Agriculture. But in view of that, this committee is going to look into this matter closely to see that we do not use any money in this area along the lines of the article that the gentleman has just read.

Mr. GROSS. Mr. Chairman, I have another one which I hope the gentleman from Rhode Island [Mr. FOGARTY] will look into; and I would like to take just a moment, with the indulgence of the House, although it does not bear upon this particular subject. This is an Associated Press item of May 6 from Roanoke, Va. It says that:

Nine beagle puppies, all from good canine families, won a 10-weeks' study course on the campus of Hollins College for Girls.

Dr. Allen D. Calvin, associate professor of psychology, will teach them a course in discipline on a grant from the U.S. Public Health Service.

They will live in air-conditioned pine-paneled quarters and eat a special diet.

I call the attention of the House to this because it involves another grant from the U.S. Public Health Service, which means, of course, that American taxpayers are putting up the money.

Mr. Chairman, I predict the day will come when the taxpayers will rise up and demand an end to the use of Federal funds for the study of behavior at cocktail parties and teaching discipline to dogs in colleges. I am afraid, however, that the uprising of those who pay the bills will come too late.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LIPSCOMB].

The question was taken; and on a division (demanded by Mr. LIPSCOMB) there were—ayes 22, noes 52.

So the amendment was rejected.

Mr. BARR. Mr. Chairman, I move to strike out the last word.

(Mr. BARR asked and was given permission to revise and extend his remarks.)

Mr. BARR. Mr. Chairman, the gentleman from Iowa has gone into the question of representational allowances. I would like to try to get in this record what we are trying to do in this bill.

First of all, I should like to congratulate the committee and especially the staff for a beautifully written report. This is a very understandable report. We had defense up last week, and frankly, it might as well have been written in Turkish. I simply could not understand it. But after reading this report, I should like to ask a question of the committee.

I have almost no farmers in my congressional district. There are literally no farmers in my district. I represent a great urban district which pays \$355 million a year in Federal taxes. After reading this report, may I ask if the committee is urging someone like me to vote for this appropriation? I want to be sure.

Let me go through the report and see if I have the figures straight. I should like to be corrected if I am possibly wrong. As I understand the report and statement of the committee, the United States has spent about \$26 billion since 1952 on the farm program. In that period of time farm income has dropped from an annual average of \$14.4 billion in 1952 to about \$11 billion in 1959. So this \$26 billion has not kept up farm income.

Second, it does not seem to have kept the farmers on the farm. Farm population is down about 3 million, as I understand it, from the last figures I have. It does not seem to have protected the small farmer.

Lastly, this \$26 billion, I presume, was designed to bring our agriculture into some sort of stability, but I notice from your figures our surpluses have jumped from \$2.5 billion in 1952 to \$9.2 billion in 1960.

The cost to my congressional district, our part of this \$4 billion appropriation, is about \$100 per family.

The question in my mind is, Should I vote "aye" when my name is called on this bill? The report would seem to indicate we have been pouring money down a rathole here.

Mr. WHITTEN. Is the gentleman asking a question?

Mr. BARR. Yes.

Mr. WHITTEN. May I say that a big part of this bill is commitments where we now have contracts, so we have to pay them. Our report points up the feeling we have, which is very similar to that of the gentleman, that we need to do something. On the other hand, until we get an improvement over what we have, if we did not pass this bill, I think we

would wreck American agriculture. If we did wreck it, do not think it would not pull down the gentleman's section and the industrial sections and everybody else. The point is that we are getting into more and more trouble, and, in spite of the cost, the farmer's situation is getting worse. We point that out in an effort as best we can to push forward some improvement.

But I do not think we would be doing the right thing not to pass this bill—we would be violating contracts and we would be making bad matters worse. But we certainly need to improve the way in which we are handling this.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. BARR. I yield to the gentleman from New York.

Mr. SANTANGELO. I believe I have the same type of district as the gentleman from Indiana. I do not know whether the gentleman was on the floor yesterday when I pointed out certain elements involved in this appropriation. I believe you still have some school-children who are sharing in the school lunch program; is that not correct?

Mr. BARR. That is correct.

Mr. SANTANGELO. And your people are also sharing in the special milk program; is that not correct?

Mr. BARR. That is correct.

Mr. SANTANGELO. People in the gentleman's district are sharing in food donations for needy people. Therefore, to a large extent, the people from the city districts are sharing in this abundance that the farmers are producing. Therefore, to that extent your people are deriving some benefits in this area. I also pointed out yesterday, if the gentleman recalls, that many of these benefits are mixed benefits and that the farmers to the extent of the \$1,200 million, which is sum for the restoration of the capital impairment of the Commodity Credit Corporation, are getting that direct benefit—and only that direct benefit. Does the gentleman believe that helping foreign countries to develop themselves is not helping us indirectly? If so, then I think the gentleman is missing the point insofar as the benefits which the United States derives from the aid to agriculture. I submit that point for the gentleman's consideration.

Mr. BARR. I would just like to point out to the gentleman who represents a city district just like mine that we are perfectly willing to help; but I think if we keep on helping like this, we will wind up not having any farmers left.

May I ask one more question here with reference to personnel. I notice that the personnel in the Department of Agriculture has jumped from 67,000 in 1952 to 86,000 today. At the same time farm families have dropped around 700,000 and the farm population has dropped 3 million. Would someone explain to me why we need more people in the Department, when we have a smaller number of farmers to work with?

Mr. WHITTEN. The gentleman will remember that we wrote this report and pointed these facts out because we have some question about it, too.

Mr. BARR. You pointed it up, but I cannot understand why you did not ex-

plain what happened and how they got up that high.

Mr. WHITTEN. That is done by the action of the Department and the Congress, frankly, because we have more people dealing with many programs such as brucellosis eradication and more people on meat inspection work to protect the public health. There are more people in the soil conservation districts. Newly organized districts under the basic law are entitled to have additional personnel. So this is the combined responsibility so far as these increases are concerned of the Congress and the Department. We do point out that while they have done well with the additional people, all this does not necessarily answer this problem.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. BARR. I yield to the gentleman from Washington.

Mr. HORAN. I want to say in support of what the chairman of this subcommittee has said that we have many programs that were voted for in the last several years by this Congress of which you have been a Member and the preceding Congress. There is the poultry inspection program, the soil bank program, and so forth. All of these programs require personnel to make them go. If the gentleman was here and heard the debate yesterday, he knows that we believe Congress has a responsibility to correct some of these things. Maybe we can cut out some personnel, but when the Congress votes for certain programs we on the Committee on Appropriations must recommend the funds for such an activity and for such programs.

Mr. BARR. I thank the gentleman. I do want to congratulate the committee again. They were extremely candid in this report. In fact, they were so candid I am almost tempted to vote "no."

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, when I came here in 1935, I thought the best way to serve my people and the people of the country was to—well, I guess I was an isolationist and I thought if we stayed out of foreign entanglements, as the first President advised, and each of us attended to his own business here at home and let the other fellow do the same, we would get along pretty well. I have learned since—or at least I have been told—that the Lord did not make the world as he should have made it and that each of us knew better how to operate the other fellows' affairs than he did and that we ought to remake the whole universe, and as a start remake nature's laws. Now the gentleman asked about city folks and how they should vote on this farm bill. Another gentleman replied, "Well, we are giving you free food—vote for it." That is not all the Federal Government is giving you. You would be surprised at what all you are getting if

you would add it all up. Some of your gifts were called to my attention this morning by the editorial in the Chicago Tribune of this morning entitled "Unwed Mothers on ADC." It starts with comments about an unwed mother who let four children burn to death while she was in a saloon drinking liquor. It then goes on to complain about the cost to Cook County. One gentleman said the program was costing the people of his district about \$20 million. ADC is costing the taxpayers of Cook County \$52 million a year. The editorial intimates congressional meddling is responsible for what has happened in Chicago and other cities.

We encouraged the colored folks to go to Chicago where they lack jobs, homes, and practically everything else necessary to enable them to care for themselves.

The Tribune says this:

The chief cause of the high cost is well known. It is the migration to Chicago of thousands of Negroes from the rural South who lack a tradition of normal family relationships and who have difficulty getting jobs and economic security.

I will put the editorial in the RECORD. It goes on to show that every time we monkey with nature or with the world the way the Lord created it, we get into trouble. We not only have a surplus of wheat and copper—I remember a member of a committee that I was once on who drew several thousand dollars one year for cotton surplus. One year he drew \$130,000. Now here they have a surplus of individuals. Foreign nations will not take them as it will wheat or other crops. So Chicago has to support them. The surplus under ABC, I am wondering, whether after all, it might not be well to accept some things as they are and let the Lord run the universe for a while—let the South solve some of its problems. There is a possibility it can do a better job than we can. They at least have had experience. One result of our intermeddling has been to cost the city \$52 million a year to care for illegitimate and other children—and I call the attention of the gentleman from Alabama, Mr. JONES, who spoke quite eloquently on this subject, at a hearing in North Carolina. How would it be if we just let the Lord and nature get along as best it may for a year or two? Do not refuse to help; just give the Lord a chance for 6 months or 9 months, and see how things come out.

It seems to me, in view of this editorial and our meddling in the affairs of every one, perhaps if we put our trust in Him and let Him do it, instead of trying in just a few months to remake the whole world, we might get along a little better. Perhaps if we let the farmers alone they may get along all right. Think it over. But read this editorial:

THE UNWED MOTHERS ON ADC

Judge John Gutknecht dismissed manslaughter indictments against an unmarried woman whose four children died in a fire while she was drinking in a saloon. He expressed regret that no criminal prosecution against the woman was possible and denounced the State of Illinois for supporting her on aid to dependent children while she produced the four children.

"I know that children have to be taken care of," said the judge, "but after the first illegitimate child comes the mother should be locked up."

We share Judge Gutknecht's indignation over the death of the children and the misconduct of their mother but doubt that his proposed remedy is a practical one. There is no easy solution of the bastardy problem and no quick way to relieve the taxpayers of the enormous cost of supporting illegitimate children on ADC.

Each session of the legislature has considered the ADC problem and study after study has been made by other groups. Currently, a study is being made by a firm of management consultants hired by a citizens' committee appointed by the Cook County board. It will be surprising if the consultants come up with anything new.

In this county, ADC is costing the taxpayers \$52 million a year. The chief cause of the high cost is well known. It is the migration to Chicago of thousands of Negroes from the rural South who lack a tradition of normal family relationships and who have difficulty getting jobs and economic security.

Bastardy is involved in 38.5 percent of the Negro families on ADC as against 9 percent of the white families. The relief authorities are beginning to report second and third generation ADC clients of unmarried parenthood.

A first-rate report on the situation has been written by Jefferson G. Ish, secretary of the Illinois Public Aid Commission and vice president of the Supreme Liberty Life Insurance Co. It was read originally before a Chicago chapter of a national fraternity of Negro business and professional men, and later was published in the public aid commission's magazine.

Mr. Ish pointed out that as Negroes get job security and establish normal family homes they adopt a code of sexual morality that is usually stricter than that of the community as a whole. He urged the Negro community to take the lead in making known the distressing facts about the ADC program and in promoting all steps to improve it.

Proposals like Judge Gutknecht's to lock up all unmarried mothers do not contribute to public understanding of this question. Real encouragement, however, may be drawn from the signs that Negro leaders are beginning to face the problem and to seek solutions.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

The Clerk read as follows:

FARMERS HOME ADMINISTRATION

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000-1031); the Farmers Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U.S.C. 436-439); the Act of August 28, 1937, as amended (16 U.S.C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U.S.C. 590y, z-1 and

z—10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U.S.C. 1033-1039), as follows:

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to direct a question to the subcommittee which has to do with a wire which I received from the chairman of the Extension Directors Subcommittee on Legislation. This wire reads as follows:

EATONTON, GA., May 9, 1960.

HON. MELVIN R. LAIRD,
Member of Congress,
Washington, D.C.:

In response to a request that I furnish you statement in regard to proposed earmarking of Federal funds, we believe that the cause of the wide variation of budget and needs of the 50 States that earmarking of funds limits flexibility necessary for effective administration of program and needs of the extension work. We recognize the urgent need for salary adjustment of county extension workers. Twenty-two States have indicated need of Federal fund to raise salary of extension staff. However, in some States the county salaries are comparable to similar position in the State.

W. A. SUTTON,
Chairman, Extension Directories Subcommittee on Legislation.

I wonder if the chairman of the subcommittee would comment on this wire which makes sense to me.

Mr. WHITTEN. I will be glad to. The Association of Land Grant Colleges, for whom Mr. Sutton speaks, requested the Department and the Budget, I believe, to allow a \$6 million increase for the Extension Service. There have been many increases for the Extension Service during the last 7 years, about 90 percent. The Extension Service, the Department of Agriculture, and the Bureau of the Budget requested from the committee \$2,865,000 for rural development, all of it for additional people. The committee in reviewing the situation, and the increases of the past, determined that at the Federal level we have had something over 20 percent increase in supervisory personnel in the Extension Service. At the State level there had been an increase of over 20 percent in supervisory personnel.

Further, it was the committee's feeling that this rural development type of work was in line with the type of work the county extension workers are now doing. In some of the States in recent years the increases have been used for more people, and the need to raise the salaries of local agents has increased and the need for additional people has gone down.

So the committee has gone along with a \$2 million increase. The committee feels that it should be used at the county level where the need really exists.

Mr. LAIRD. But in those States where the county and State salaries are presently on a comparable basis, these funds can only be used for increases as far as the county is concerned?

Mr. WHITTEN. As far as the bill is concerned, it can be used at the county level for either new employees or salary increases.

Mr. LAIRD. But it cannot be used to pay State salaries if they are on the same salary scale with the counties.

Mr. WHITTEN. It has to be worked out at the county level. Our report points out what the States are paying at the different levels.

Mr. LAIRD. It would apply at the county level only?

Mr. WHITTEN. This provision requires a State matching of funds; and where needed the State presumably would match the funds.

Mr. LAIRD. So the funds would not be available to those 28 States?

Mr. WHITTEN. If they do not need more people and if they do not need salary increases, I do not know whether they would or not.

Mr. LAIRD. They would need it if they were on a comparable State and county salary scale.

Mr. WHITTEN. If the people are being paid adequately, I cannot conceive what they would want it for, especially when the State has to match dollar for dollar.

Mr. LAIRD. They would have to put up 100 percent as far as salaries of State employees are concerned. Is that correct?

Mr. WHITTEN. It has to be matched; yes.

Mr. LAIRD. Could they match this money to pay State salaries?

Mr. WHITTEN. No. This increase is for work at the county level.

Mr. LAIRD. They cannot match and pay salaries of the State employees?

Mr. WHITTEN. Not with this small increase here. The balance of the appropriation is not involved.

Mr. LAIRD. So if they were to change the salary scale within the State they would have to pay 100 percent of the increase for the State employees and on a matching basis for the county employees?

Mr. WHITTEN. There has been a 90-percent increase in the Extension Service in recent years. This request for 1961 was for aid to the rural development program in the counties. There have been ample funds at the State and Federal level for supervision, so we are appropriating this additional money that has been requested for rural development to the counties. We tie it down to the counties so it would not be used to pay a lot of additional State supervisory personnel.

Mr. LAIRD. But you earmark just the \$2 million on a different basis than the authorizing legislation.

Mr. WHITTEN. In a different way from the other part of the appropriation, but it is in line with the gentleman's position and the authorizing legislation.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, during general debate yesterday there was considerable discussion of various farm programs designed, I take it, to obviate the necessity for tremendous appropriations such as are contained in this bill. The committee report, page 9, in one paragraph, sets forth the guidelines for excellent farm legislation. Let me read this paragraph:

It is the belief of a majority of this committee that, for the protection of our overall economy, farm prices must reflect cost plus a reasonable return. Such prices, however, must be made contingent upon farmers holding farm production, in terms of bushels, bales, and pounds, to domestic and normal foreign markets. If that is done an adequate price can be obtained at the marketplace.

Mr. Chairman, I would like to call the attention of the gentleman from North Carolina [Mr. COOLEY] to the fact that years ago the Congress twice passed the McNary-Haugen bill, and it was twice vetoed by then President Calvin Coolidge. May I say to the chairman of the Committee on Agriculture of the House if he would pull that bill out, dust it off, and revise it to conform to present conditions, it would be the most effective farm legislation that could be enacted. It should carry, in addition to cost of production plus a reasonable profit at the marketplace, a provision, and a stringent one, against the importation of agricultural products that are in surplus or in adequate supply in this country.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does the gentleman have any reason to believe that the present Secretary of Agriculture would approve that bill?

Mr. GROSS. I would not care whether he approved or did not approve it.

Mr. McGOVERN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from South Dakota.

Mr. McGOVERN. I would like to commend what the gentleman has said with regard to the guidelines suggested in this excellent report by our committee. I would also call the gentleman's attention to the fact that a bill which would do substantially what this report recommends was introduced by the gentleman from Texas [Mr. POAGE] and about 20 other Members of the House in this session. That legislation is now pending before the committee. I am hoping that the gentleman and others on his side will join with us in helping pass that legislation.

Mr. GROSS. I must disagree with the gentleman to this extent: I do not see too much resemblance between the Poage bill and the McNary-Haugen bill.

Mr. McGOVERN. But it does follow the guidelines that the gentleman has just underscored in the committee report in helping farmers adjust their production to what the market will absorb at a fair price.

Mr. GROSS. I hope that the Committee on Agriculture of the House will, as I said before, will dig out the McNary-Haugen bill, bring it up to date, insert needed features, and put marketing controls on bushels, pounds, and bales, not on acreage. Acreage controls will not work, but production can be controlled through allocated marketings. In exchange for effective controls, there must be cost of production plus reasonable profit prices, paid in the market places for the products of American farms.

Mr. McGOVERN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time simply to propound an inquiry of the chairman of the committee relative to the bottom line on page 22 of the report, which reads:

The committee believes, however, that existing stations should not be closed in working out this redirection of funds.

This refers to agricultural experiment stations. We have had a considerable amount of anxiety in our State because of a report emanating from the other body suggesting that our agricultural experimental station at Newell, S. Dak., be abandoned, and possibly a larger station established in a neighboring State. It seems to us this would be an unwise act to lose the existing investment that the Government has at the Newell station. If there is to be any enlargement of the function of that station, it ought to be built on the foundation that is already there rather than being developed in some other nearby area. I am wondering if the language in the report would cover our situation and give us some assurance that the committee is saying in effect that this important station at Newell should be retained.

Mr. MARSHALL. Mr. Chairman, if the gentleman will yield, when the committee reviewed the request from the Department of Agriculture we felt that it would be unwise to close many of these stations which have done such a worthwhile job for agriculture. It is true, however, that some money will have to be absorbed, but it is not the intention of the committee that we close them, and we indicated that we thought it would be unwise to close these stations.

Mr. McGOVERN. I appreciate that because I think it would be false economy either to close down or curtail the important work being done at Newell. We ought to be moving in the other direction.

The Clerk read as follows:

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$44,726,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, That no part of these funds may be used to formulate or administer a program which provides for reclassing of Commodity

Credit Corporation cotton after time of sale to private individuals or organizations: *Provided further*, (1) That no part of this authorization shall be used to formulate or carry out a price-support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of any agricultural commodity declared by the Secretary to be in surplus supply, unless (a) such person shall reduce his production of such commodity from that which such person produced the preceding year, in such percentage, not to exceed 20 per centum, as the Secretary may determine to be essential to bring production in line within a reasonable period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (b) such person shall agree to repay all amounts advanced in excess of \$50,000 for any agricultural commodity within twelve months from the date of the advance of such funds or at such later date as the Secretary may determine, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision.

Mr. AVERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to inquire of the chairman of the subcommittee, the distinguished gentleman from Mississippi [Mr. WHITTEN], about the dates that are employed on page 30 relative to certain restrictions on the administrative expenses of the Commodity Credit Corporation. The gentleman is well aware, I am sure, that those are the same dates that were included in the appropriation bill for 1960. The same two dates that are included on line 13 and again on line 16 in the 1960 appropriation bill.

So, my question is this: Why do we use those same dates in the appropriation bill for fiscal 1961?

Mr. WHITTEN. Last year the gentleman from Kansas offered an amendment that was intended to do what this does. Later it became part of the bill. The language as it now appears is the product of the conference of last year. This was new language. This year the department has had the job of working up regulations and providing means for carrying them out.

The Department sent up this language exactly as it appears here for the remainder of this year, presumably on the basis that if you did not have the language in this bill it would expire the 1st

of July. The funds to which this language would be tied themselves would lapse the 1st of July. So this is essential to carry it on for the remaining 6 months.

The Department is of the opinion, so the individuals I discussed it with say, that if this language stays as it is, it will control this year. In next year's bill, it will be early enough after a year's experience to see whether this exact language should be carried forward, even if we attempt to do the thing that this does. So they have carried it forward for the remainder of this calendar year in order to have a year's experience before they will recommend whether this particular approach should be continued or not.

The committee went along exactly with the language that the Department sent up for the reasons that I have mentioned to the gentleman.

Mr. AVERY. If I may interpret what the gentleman from Mississippi has said, it means this; that despite the fact that there will be no limitation on loans for production in 1960, because most of these programs were developed back in fiscal year 1959—I am thinking primarily about corn, wheat, and I presume cotton—those programs were developed and announced in fiscal 1959, in May of last year. Therefore, since we are talking about a limitation on administrative expenses, the Comptroller General has ruled that there will be no limitation on any program that was developed prior to July 1, 1959, because we legislated for the fiscal year 1960 last year.

Mr. WHITTEN. May I say to the gentleman that, while the language is in there to develop and pay, if you had the language controlling the making of the loan, it would be just as effective if you did not have the other part. So, since the payment or the extension of the loan would follow after July, it is my sincere opinion that anything you did next spring, after they have had a year's experience and have a chance to recommend to the Budget any changes that would be in order, it would be ample time to deal with the situation in next year's bill. The controlling factor is in the fall of the year when the loan is made.

Mr. AVERY. Mr. Chairman, the Comptroller General has ruled just the opposite, that the year of production is immaterial, or when the loan is made; it is when the program is developed, because this is administrative expenses we are talking about. So he has ruled that that is not important as to when the loan is made. It is when the program is developed and announced, therefore, there is no limitation on most of the production in 1960.

Mr. WHITTEN. The announcement is made about price support levels.

Mr. AVERY. And acreage allotments.

Mr. WHITTEN. Anyway, I am following the Department in this. This is the Department's recommendation. The committee took it lock, stock, and barrel without changing it. It was sent up, as I have explained, on the basis that I have pointed out.

Mr. AVERY. The gentleman can give us assurance, then, that there is no

thinking on the part of the committee that this language would escape a restriction on the 1962 production—the program will be developed in fiscal 1961 as appropriated in this bill; this mention of 1960 would not preclude that limit?

Mr. WHITTEN. I do not think so. It was so presented to us.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. AVERY] has expired.

(Mr. AVERY asked and was given permission to proceed for 1 additional minute.)

Mr. WHITTEN. May I say to the gentleman, I do not think this is sound legislation.

Mr. AVERY. I understand.

Mr. WHITTEN. And I am opposed to it now as I was before. But I have tried to explain to the gentleman the basis of it.

Mr. AVERY. One more question, if the gentleman permits. On line 16 he will notice, in the bill before us today, we refer back again to 1960 production. We are talking about primarily 1961 in this bill. The Comptroller General has ruled year of production did not prevail—that is, 1960 production limitation did not prevail this year because we are talking about administrative expenses which for 1960 crops were expended largely in fiscal 1959. But since the year 1960 is used in the bill, and they will be working in 1961, that provision in line 16 will not preclude such subsequent limitation?

Mr. WHITTEN. That is my understanding. And may I say this; while I oppose this language and this approach, because I think personally it is unsound, certainly I cannot speak for the subcommittee. The subcommittee's action is not in any way to end this provision at this time. If it should develop we are in error about this, certainly as a spokesman for our subcommittee, I could not take it that we had intentionally eliminated this restriction, much as I would like to.

Mr. AVERY. I appreciate the position of the gentleman from Mississippi, and I further appreciate his inclusion of this provision in the bill despite his opposition to it.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 30, beginning on line 6, strike out, "Provided further, That no part of these funds may be used to formulate or administer a program which provides for reclassifying of Commodity Credit Corporation cotton after time of sale to private individuals or organizations."

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, this is a very important amendment which I propose. I hope I may have the at-

tention of the Members of the House as I present my views concerning the limitation which I now propose to strike out.

I do not question for one minute the fact that the chairman of the Subcommittee on Agricultural Appropriations is a devoted friend of agriculture. I do not doubt that he was prompted by the purest of motives in placing this limitation in this appropriation bill. But I do seriously question his wisdom. Unfortunately, only one member of his subcommittee is particularly interested in cotton as a commodity.

We have a cotton program which has been in operation for many years. Unfortunately, in former years, because only some of the cotton sold was reclassified, some of the cotton merchants were granted a refund, a substantial refund, in toto amounting to about \$166 million. I certainly do not approve of that procedure. Neither does any member of the House Committee on Agriculture approve of the granting of these huge rebates to cotton merchants. But we do approve of a reclassification of cotton at the time of delivery, and that is exactly what the Department of Agriculture now proposes to do. Here is a statement from the Department announcing this program:

CCC TO SELL 1959 AND PRIOR CROP COTTON ON BASIS OF RECLASSIFICATION

Beginning August 1, 1960, the Commodity Credit Corporation will offer all 1959 and prior crop upland cotton for sale subject to reclassification before final settlement, the U.S. Department of Agriculture announced today.

Detailed provisions regarding sampling, classification, and settlement for the 1959 and prior crop cotton are now being developed. They will be contained in a cotton sales announcement to be released from the New Orleans Commodity Stabilization Service Commodity Office in sufficient time to begin sales under the new provisions on August 1, 1960.

Cotton from the 1960 crop purchased by CCC under the Choice A program will be offered for sale by local sales agencies and by the New Orleans office on the basis of the quality assigned the cotton by USDA Boards of Cotton Examiners prior to its purchase by CCC.

This will result in the 1960 crop of Choice A cotton being handled during the 1960-61 marketing year on the same basis as the 1959 crop of Choice A cotton was handled during the 1959-60 marketing year.

This matter came up last fall. I attended a meeting in New Orleans which was attended by reputable representatives of all segments of the cotton industry. After a thorough discussion, substantially all those in attendance were in complete agreement that all CCC cotton should be reclassified at the time of sale.

Thereafter we called another meeting here in Washington in December. It was a joint meeting between the House Committee on Agriculture and the Senate Committee on Agriculture. That committee meeting was held in our committee room. At that time a very distinguished subcommittee of the cotton industry made certain recommendations, one of which was that the Secretary should provide an equitable pro-

gram for the reclassification of cotton at the time of delivery.

The matter was then brought to the attention of the Department of Agriculture and after consideration by officials in the Department of Agriculture one of the officials in high places indicated to us that he wanted to put into operation this recommendation of the cotton industry.

Here is the recommendation: "Work out an equitable reclassification privilege for the purchase of CCC stocks."

Now then our Subcommittee on Cotton of the Committee on Agriculture unanimously urged the Department of Agriculture in a formal letter to adopt this recommendation. Here is the text of that letter:

JANUARY 6, 1960.

Hon. MARVIN McLAIN,
Assistant Secretary of Agriculture,
Washington, D.C.

DEAR MR. McLAIN: Representatives of the cotton exchanges and the Cotton Merchants Association have reported to our committee the progress made in working with the Department on the five points which they and other segments of the cotton trade believe are necessary to the operation of the exchanges and an effective private merchandising system in 1960-61.

We are pleased to know that you are giving careful consideration to each of the five points presented to the Agriculture Committee in December, and that definite progress is being made toward satisfactory solutions.

With respect to classification at the time of sale, it is inconceivable to us, as you stated it was to you, that buyers of cotton or any other commodity sold on description should be denied the right to have the actual quality checked at the time of delivery. Departmental technicians have testified to us that cotton in storage does change in color and that Government stocks are subject to a continued culling process which emphasizes occasional and unavoidable classing errors. The resulting commercial risks of buying on catalog description are sufficiently great that prospective purchasers are compelled to protect themselves in the prices they will pay and the loss to the CCC is substantial. Failure to sell on terms which assure the buyer he will get what he has bought not only costs the Government heavily but delays the disposition of Government stocks directed by section 201 of the Agricultural Act of 1956. It ignores numerous congressional directives to sell on terms and conditions that will promote utilization of ordinary private channels of trade and to protect small business firms.

As our committee sees it, the record before us shows that the cotton can be sampled at time of delivery and that the purchase price based on the quality determined by Government classers, subject to established departmental appeal procedures, can be collected by draft against a bank letter of credit with full protection of the Government interest and assurance to the purchasers that they can bid for CCC cotton knowing they will get cotton of the description bought.

Some such provision to permit accurate checking of quality at the time of delivery would have the added advantage of reducing costs (only the bales which are sold would be sampled) and by using the letter of credit method of payment would protect the Government investment without resorting to any refunds, which are always likely to involve public misunderstanding.

HAROLD D. COOLEY, W. R. POAGE, GEORGE GRANT, ALEXANDER PIRNIE, DON L. SHORT, JOHN L. McMILLAN, THOMAS G. ABERNETHY, CARL ALBERT, BILLY MATTHEWS, CLARK W. THOMPSON, W. PAT JENNINGS, E. C. GATHINGS, HAROLD B. MCSWEEN.

The Department officials indicated to us they would adopt the recommendations, but that because of some conversations which Department officials had had with the chairman of this subcommittee, they seemed to be somewhat reluctant to put the program in operation. Thereupon we called a special meeting of the full Committee on Agriculture. A resolution was presented and unanimously adopted recommending the initiation of this new program. Here is the text of the resolution:

Whereas this committee has had under consideration for the past several months questions relating to the reclassing and sale of cotton owned by the Commodity Credit Corporation; and

Whereas the views of cotton producers, cotton users, and the cotton trade generally appear to be virtually unanimous that CCC cotton should be reclassified at the time of sale: Therefore be it

Resolved, That the Secretary of Agriculture is urged to put into effect as expeditiously as possible the uniform policy of reclassing all CCC cotton at the time of its sale and that this be done in such manner that the procedure will not involve rebates to the purchaser but that, instead, the final price of the cotton which the purchaser will be obligated to pay will be determined by the reclassing carried out at the time of sale and that all of every lot of cotton sold shall be reclassified.

It was sent to the Department notwithstanding the objections of the gentleman from Mississippi, the chairman of the subcommittee, and although the Department was somewhat reluctant to disagree with his views, the Department announced the program. Now the gentleman from Mississippi will know what was said. I only know by hearsay what was said in that conversation. Without attempting to quote that conversation verbatim, we were told that the officials in the Department were told by the gentleman from Mississippi in effect: "I write the checks—I write the checks and if you do not do this, I will not write the check and you will have no money to pay the employees of the Department of Agriculture engaged in this program."

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Now if the gentleman wants to deny he made that statement—I yield.

Mr. WHITTEN. First, I do categorically deny it. But I would also like to have the name of the person you said told that to you. I would like to know who he is.

Mr. COOLEY. I thought I heard the gentleman say here on the floor yesterday, "I write the checks and you endorse them." Is that not in the Record?

Mr. WHITTEN. As a matter of fact, I said that we do—and it is a fact that we do.

Mr. COOLEY. When did you start writing the checks? Congress writes the checks. You are supposed to carry out the intent and purpose of the legislative committees of the Congress.

Mr. WHITTEN. Read the bill and read the report. You will find the names of the Members on the report.

Mr. COOLEY. I read the report and I read the bill. This man who talked

to us, I do not think was talking to us in confidence.

Mr. WHITTEN. Will you give me his name because he told you an unmitigated lie and I would like to know his name.

Mr. COOLEY. I do not want to start a fight now between the gentleman and any official of the Department of Agriculture. The gentleman knows whether he said it or not. It is almost identical with the language that the gentleman used here on the floor yesterday—"That our committee writes the checks."

Mr. WHITTEN. Unfortunately, we do have to write the checks.

Mr. COOLEY. And the gentleman said on the floor, "You are just merely endorsers of the check." Now here you have it—that an administrator in the executive branch of the Government wants to do something and he is intimidated.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Now I did not say that you intimidated him, but he was intimidated to the point that he did not issue this order until our legislative committee had unanimously urged him to do it and commended him for his efforts. He issued the order which is, in effect, why the gentleman from Mississippi and his committee want to cut off the money.

Since when did the Appropriations Committee arrogate to itself such mighty power as to say that Congress authorizes an act but we will cut it off, notwithstanding the views, the unanimous views of all the Committee on Agriculture, Republicans and Democrats alike? It seems to me this is a kind of test. Who is going to run the Department of Agriculture? The Subcommittee on Appropriations or the legislative committees of this Congress and the Members of Congress themselves? If we yield to this limitation, then we have our only forum thereafter in the star chamber sessions of the Committee on Appropriations. You cannot even get into that room without special permission.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BOGGS. I attended the gentleman's joint session last fall. The gentleman referred to meetings held last fall in my district in Louisiana, and later here in the gentleman's committee room on agriculture, which was a joint meeting of the two Committees on Agriculture. It was my recollection, coming to the merits of the issue before this body, that this representation on reclassification was sponsored by everyone.

Mr. COOLEY. And the Department is trying to carry out the wishes of the people who are most concerned with the stability of the cotton crop, and of the Committee on Agriculture, providing for a fair and equitable basis of sale, so that the cotton buyer will not have to buy a "pig in a sack."

Mr. BOGGS. When the gentleman talks about reclassification, he simply means that when he comes in to buy a given item the item is as represented; is that correct?

Mr. COOLEY. That is correct.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. Cooley] has expired.

(By unanimous consent Mr. Cooley was granted 5 additional minutes.)

Mr. BOGGS. Will the gentleman yield further?

Mr. COOLEY. I yield.

Mr. BOGGS. It is very interesting that at this moment a hearing is going on in the other body involving the sale of drugs, and one of the issues involved is whether they are selling what is represented.

Mr. COOLEY. That is correct.

Mr. BOGGS. So what is involved here is that Congress is arrogating to itself the right to say when an industry cannot make proper representation of what they are selling.

Mr. COOLEY. Yes. And I want to know why cotton has been singled out.

Mr. BOGGS. If you sold an automobile or grain or anything else, and you misrepresent it, you would be subject to accounting in the courts?

Mr. COOLEY. Certainly. All we want is to have the same integrity in Government transactions that you now have in private trading.

I have here a telegram from a large number of cotton merchants. They are all in favor of striking out this amendment. There are letters from the American Cotton Producers Association, the American Farm Bureau Federation, and so on. I will not take the time to read them but will insert them in the Record at this point:

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., May 9, 1960.

The Honorable HAROLD D. COOLEY,
Chairman, House Committee on Agriculture,
U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN COOLEY: We believe that the House Agriculture Committee was right when they asked the U.S. Department of Agriculture to institute a procedure for 1960 and prior crops of CCC cotton whereby purchasers of such cotton could get it reclassified.

In our opinion, cotton should be sold on the basis of weight and class at the time of sale. This is customary in all normal merchandising procedure with which we are familiar. Where a purchaser requests reclassification of CCC cotton, we suggested to the Department that the entire purchase be reclassified.

We hope that nothing will be done by the Congress to countermand in any way the action of the Department with regard to reclassification of CCC cotton.

Sincerely yours,

JOHN C. LYNN,
Legislative Director.

NATIONAL COTTON
COUNCIL OF AMERICA,

Washington, D.C., March 18, 1960.

The Honorable HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. COOLEY: We have just learned that the House Committee on Agriculture passed a resolution urging the Secretary of Agriculture to reclass all cotton sold by Commodity Credit Corporation at the time of sale and wish to commend the committee for its action. We hope the Agriculture Committee will continue to press the Secretary to act on this.

The National Cotton Council strongly supports this principle and has also urged the Department of Agriculture to authorize reclass at the time of delivery. At its recent annual meeting in Dallas, the council unanimously approved the following resolution which was recommended by both its committee on production and marketing and its committee on foreign trade:

"8. That the council urge the U.S. Department of Agriculture to recognize the right of purchasers of carryover cotton from CCC stocks to obtain a fair delivery equal to the quality bought by means of reclassification by a regular Government classing board at the time of delivery and, if the quality is different from that advertised, an adjustment of price upward or downward."

It is an established fact that cotton often deteriorates in storage. The extent of deterioration, of course, depends on the conditions under which the cotton was grown, harvested and ginned and the condition of it when it went into storage and the storage conditions. There is no way to determine in advance the change that will occur and it is impossible to determine the change that has occurred without reclassing the cotton.

It is also inevitable that some cotton will be improperly classed because of human errors.

Except in the case of cotton all major commodities sold by CCC are sold on the basis of the quality being equal to that for which the buyer pays. There should be no exception to this principle of the right to a fair delivery.

As long as there is a possibility that the value of the cotton received in a purchase from CCC may be less than the amount paid, there is a risk involved on the part of the purchaser. The cost of the risk must be included in the price.

The increased cost will be reflected in a higher price to mills at home and abroad. The effect of this will be to place cotton at a further disadvantage at home with man-made fibers and to increase the cost of the export program abroad. We believe this further disadvantage is not in the interest of the farmers nor the other segments of the industry.

Inasmuch as CCC still has approximately 6 million bales of cotton to dispose of, it is important that sales practices be adopted which are fair and reasonable and which will not be a deterrent to the expansion of consumption.

We appreciate your efforts in this regard.
Sincerely,

WM. RHEA BLAKE,
Executive Vice President.

PLAINS COTTON GROWERS, INC.,
Lubbock, Tex., May 9, 1960.

Congressman HAROLD D. COOLEY,
House Office Building,
Washington, D.C.

DEAR MR. COOLEY: Enclosed with this letter is another one from Mr. Wilmer Smith, president of the American Cotton Producer Associates, concerning the important question of reclassing of Commodity Credit Corporation stocks.

The Plains Cotton Growers, Inc., has gone on record opposing reclassing after sale which would permit refund to shipper. Our position is exactly that as outlined in Mr. Smith's letter for the majority of the ACPA members.

With best wishes, I am,

Sincerely yours,

GEORGE W. PFEIFFENBERGER,
Executive Vice President.

HOUSTON, TEX., May 10, 1960.

Hon. H. D. COOLEY,
Chairman, Appropriations Committee on
Agriculture Committee, House Office
Building, Washington, D.C.:

We understand House appropriation bill for agriculture to be considered possibly Tuesday contains provisions prohibiting reclass of Government-owned cotton after sale to cotton trade. Since it is a well established fact that cotton deteriorates in grade while in storage, and since numerous clerical errors in classing and cataloging occur, we, the undersigned cotton merchants and brokers of the Houston Cotton Exchange, both large and small, think this provision very harmful and contrary to accepted trade practice, and we solicit your help in getting it deleted from the bill before final passage. In our opinion the buyer is entitled to receive the quality he buys based on classification at time of delivery rather than some earlier classification which may not be correct at time of delivery.

S. B. Locke & Co., Ernst Cohn & Co.,
Geo. H. McFadden & Bro., Inc., Rein-
hart Co., Anderson Clayton & Co., Em-
met V. Clark, F. G. Pauls & Co., K.
Dean & Co., Otto Goedecke, Inc., F.
Hart & Co., Hendsen Cotton Co., V. A.
Maudr & Co., Frank Mayes & Co., Miller
Cotton Co., Houston Cotton Co., Weil
Bros. Cotton, Inc., W. J. Schmitz & Co.,
John I. Steen, W. H. Strickland, H. T.
Witherspoon, W. R. Wilson & Co., W.
A. Willis.

AMERICAN COTTON
PRODUCER ASSOCIATES,
Lubbock, Tex., May 9, 1960.

Congressman HAROLD D. COOLEY,
House Office Building,
Washington, D.C.

DEAR MR. COOLEY: In view of recent developments regarding the reclassing of Commodity Credit Corporation cotton, we wish to reiterate the stand of the American Cotton Producer Associates on this question.

The majority of the members of the ACPA are opposed to reclassing of cotton after sale in such a manner that would permit or require refunds from CCC to the shipper. In the past this has led to unjust and unfounded criticism of the entire agricultural program, and this we want to avoid at all costs. We are opposed to the "pick and choose" method of reclassing selected bales in any given purchase.

We are not opposed to reclassing if it is done before sale, and if the entire lot being purchased is reclassified. We believe this reclassing before sale should be automatic in all cases. The chief item we are concerned with is that there be no refunds.

I trust this will clarify the position of the majority of the ACPA members.

With best wishes, I am,

Sincerely yours,

WILMER SMITH,
President.

Now, why should this committee apply to cotton some rule or regulation that is not applicable to wheat and corn, or any other commodity? Why should a merchant be forced to accept something that has actually been misrepresented? The gentleman from Mississippi [Mr. WHITTEN], may say that cotton does not deteriorate in storage. All the evidence shows that it does deteriorate in storage. He may say that he is against these refunds. Our committee will say we are against refunds, too, but under the proposal of the Department of Agriculture

there cannot hereafter be any more refunds. The purchaser pays 85 or 90 percent of the purchase price in cash, and the other is paid when the grades are determined and accepted. So that there are no refunds.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. ALGER. Mr. Chairman, I want to join with the gentleman who is presenting these figures to us and tell him I commend him for his position and assure him that we in Dallas, which is one of the largest cotton exchange centers in the country, fully share his view and his concern as he expressed it to the House. I merely join with him in agreeing with his statement on reclassification. It is right and correct.

Mr. COOLEY. I thank my colleague. I think people all the way from New York to Galveston agree that this limitation should be taken out and the Department of Agriculture should be permitted to put into operation and effect an equitable reclassification program which will guarantee to the purchaser that he will receive the quality of merchandise that he obligates himself to pay for.

I hope this amendment will be adopted and that we will proceed with the program that the Department of Agriculture after careful consideration has decided to put into operation.

I know some other members of our committee will explain in detail just how the program will work. I would like for the gentleman from Arkansas [Mr. GATHINGS] who is chairman of our cotton subcommittee, to consume time to explain it, because he has worked on it faithfully and diligently. Members on both sides of our committee feel that the limitation should be stricken out.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, on every occasion that I have appeared before the legislative Committee on Agriculture I have always been treated with the utmost respect, and I was somewhat amazed to hear the remarks that were made a few minutes ago about the attitude of our committee.

We have tried in every way possible to be fair with the members of the Agriculture Committee when they have appeared before our committee. I know that we have sat long hours and listened to a lot of testimony.

I want to say to the Members of the House that as far as this matter is concerned this is not a matter of just one member of the committee; our committee is just as unified, or even more so perhaps, than the Committee on Agriculture.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman will not deny my statement to the effect that you hold star chamber sessions behind closed doors.

Mr. MARSHALL. We certainly do. That has been customary for a long time.

Mr. COOLEY. Why should the custom be continued?

Mr. MARSHALL. And, yet every person who has asked for an opportunity to appear before our committee has been given that opportunity.

Mr. Chairman, I think we ought to get into the meat of this thing. Our committee has a responsibility too; we have a responsibility to the taxpayers of the country as well as we do to the cotton-growers and the warehousemen; we have that responsibility. We have a responsibility that the House has delegated to us, to go into these matters to find out about them.

The distinguished chairman of the House Committee on Agriculture was giving you an opinion that we were using cotton somewhat differently. I would like to say to the distinguished Chairman of the House Committee on Agriculture that my people, the warehousemen, who deal in corn and wheat and those commodities, would be most happy to have this kind of arrangement. Our committee found some astounding things that took place.

What do we do with this reclassification of cotton? The Government classifies this cotton; the buyer buys the cotton; he asks for a reclassification; he gets a reclassification of that cotton. It is reclassified and is a lower grade. What does the Commodity Credit Corporation do? They give him a rebate. Then many times these warehousemen export that cotton. What has happened? The thing that has happened is that it is then reclassified again at a higher grade.

We are not dealing in small items in this particular thing; what we are dealing with is shown by these figures: In 1956 there was a refund of \$4,544,751; in 1957 it was \$7,927,254.

Now listen to this. We come up to 1958 and we get a refund of \$62,474,370; in 1960 we had a rebate of \$11,639,154. We dropped down because we did something about this reclassification. Can a man who buys corn which has been graded by the Commodity Credit Corporation obtain a rebate on the grade of that corn? Of course he cannot. Can the man who buys wheat from Commodity Credit come in and ask for a refund because he disputes the grade? No; he cannot. Those commodities are sold on the basis of the grade which is presented.

The question is clear, and it is just as simple to me as day and night. If this Congress wants to permit the people who handle this cotton, and many of them are huge exporters, to come in and get a rebate on a grade which has been as fairly established as it can be, then you vote for this amendment which has been offered. But if you want to conduct the Commodity Credit Corporation operation in cotton in the same manner in which it is conducted in the case of other commodities, then you vote down the amendment. If you want to open up the Treasury of the United States to where you can say, "Come in with a shovel, we are going to give you gold on the basis of a rebate," vote for this amendment.

If you want to protect the farm program, if you want to have a farm pro-

gram, then the things we are talking about in this amendment must stop and they must stop now.

This is not a matter of the chairman of our committee. It is a matter which came before our entire committee and it is one on which we are in accord.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I want to state to the Committee that I am in full agreement with what my colleague from Minnesota has just said.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Washington.

Mr. HORAN. May I say that when our committee saw these huge raids on the Treasury of the United States, we wanted to sort of close the door as best we could against it.

Mr. MARSHALL. I thank the gentleman. I urge the Members of the Congress to weigh the facts in this particular matter and vote down the amendment, as I am sure you would if you understood all of the facts.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from North Carolina.

Mr. COOLEY. I agree we want to close the door, but under the proposal of the Department so that there will be no more rebates.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Kentucky.

Mr. NATCHER. As a member of this subcommittee, certainly I do not profess to be an expert on cotton, but I want to say to the members of the Committee if you want to dissipate the funds of the Commodity Credit Corporation here is the place to do it. All you have to do is to adopt the pending amendment. There has been \$166,585,849 paid in rebates since 1956. Who received the rebates? In a number of instances warehousemen and big operators who have the cotton under their jurisdiction. I say again, if you want to dissipate the funds of the Commodity Credit Corporation here is the place to do it. I thank the gentleman for yielding.

Mr. MARSHALL. Furthermore, Mr. Chairman, as far as we are concerned, in trying to treat the taxpayers of this country fair and to fulfill our responsibility as delegated to us by the Congress, we are calling this matter to your attention and taking the stand that we have, at a time when we hear so much about the cost of the Commodity Credit Corporation, your Committee on Appropriations could take no other course than we have taken. I hope you will sustain the course we have taken to protect the assets and the integrity of the Commodity Credit Corporation.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(Mr. GATHINGS asked and was given permission to revise and extend his remarks.)

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the subcommittee on agricultural appropriations went into this question, and as the result of their recommendation and that of the General Accounting Office, the Department changed its plans on reclassifying cotton. Now, at that time, when they changed the plan for the current year, which they did, being effective August 1, 1959, what did they do? They went back and reclassified all of the cotton from 1957 and years earlier, and in reclassifying that cotton it showed that it was \$12 a bale lower in value. That is under the plan of the gentleman from Mississippi and this Subcommittee on Appropriations—\$12, in round numbers, a bale lower in value. Of course, it does lose its quality when it is in storage for any length of time of a few months or more.

As a matter of fact, during the number of years that \$166 million that has been referred to by the gentleman from Minnesota was refunded, the average loss on that cotton for those years—you move an awful lot of cotton out of the CCC—was \$11.02, which means an additional cost to the taxpayer. Everyone recognizes that cotton is going to deteriorate in storage, particularly in damp areas. The facts show it. The only thing that is now being urged by the gentleman from North Carolina in striking this language is to approve the program that the Department of Agriculture wants to put into effect. Under that program only the cotton that is sold shall be reclassified, and you buy exactly what you pay for. Under that plan, if the grade deteriorates, you will pay less for it than when it went into the CCC's stock originally from the farmer's hands. It would be less if it deteriorates. But, if the grade shows a quality rise, why, whoever buys that cotton would have to pay more for it. It is just that simple.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Texas.

Mr. POAGE. Would the gentleman make it plain that there is no refund under the program proposed by the Department of Agriculture and which our committee recommends, it simply says that you take the cotton at the time you buy it, class it out, and pay for what you get, and there will be no refund?

Mr. GATHINGS. No refund at all, because here is what happens under this plan that the Secretary of Agriculture wants to put into effect. Eighty-five percent of the value of that cotton that went into the CCC originally, 85 percent of that class you pay in cash on those bales of cotton, and then they draw down these samples and reclass it. The buyer would be required also to deposit with CCC, pending the reclass of the cotton being purchased, an irrevocable letter of credit to pay whatever balance would be due when the value is determined as a result of the regrading.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Louisiana.

Mr. BOGGS. Would it be fair to say that the gentleman speaking represents perhaps the biggest cotton-producing district in the United States? The gentleman will certainly say that he is not speaking at the behest of the larger shippers or exporters of cotton.

Mr. GATHINGS. I agree with the gentleman. The American Cotton Producer Associates is in favor of the plan of the Department of Agriculture in this instance, and I want to say that various other producer organizations also favor it, among them being the American Farm Bureau Federation.

Mr. BOGGS. Let me ask another question, because I am in a position of being a layman in this matter in which the gentleman is expert. When the gentleman from Minnesota got so emotionally involved here a moment ago about the refund, is it not a fact that if a businessman went in and bought a bale of cotton that was classified as top or what have you, but which turned out to be spotted, what the refund provision meant was that he only paid for what he got?

Mr. GATHINGS. Certainly. Here is the situation. At that particular time the buyer of that cotton had an option to have a part of his purchase reclassified, that part that he determined that he wanted to have reclassified only. Under the plan now that the Department wants to put into effect, all this shall be reclassified and the buyer just pays what the reclassification shows it was at the time of delivery.

Mr. Chairman, I hope the gentleman's amendment is approved.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

(Mr. GATHINGS (at the request of Mr. SMITH of Iowa) was given permission to proceed for 1 additional minute.)

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. SMITH of Iowa. One of the subcommittees of which I am a member, in looking into some of the Public Law 480 sales, discovered that the Department of Agriculture was accepting the exporters' grading or classification of cotton in determining how much refund should be given. But that has nothing to do with this.

Mr. GATHINGS. None whatever. The Agricultural Marketing Service, and the Agricultural Marketing Service only, the Cotton Class Division of the AMS, is the agency that is charged with the responsibility of reclassing the cotton.

Mr. SMITH of Iowa. Large refunds were made due to the fact that they permitted the exporters to do the reclassifying. That has nothing to do with this amendment?

Mr. GATHINGS. No. The Agricultural Marketing Service itself makes this classification.

The Department plan to reclass at the time of sale has overwhelming support because it recognizes the essential obligation of the Government to deliver to buyers that which is sold to them and collect the correct price for the cotton delivered.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

(Mr. WHITTEN asked and was given permission to proceed for 10 additional minutes and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, one of the things to be regretted in situations that we face on occasion is that personalities seem to get into these discussions. I have no personal animosity in any direction, departmentalwise or otherwise. I do have a responsibility and an obligation as chairman of a subcommittee, by appointment of the House of Representatives, to do the very best I can to bring together these various matters; to recommend to the subcommittee first and then to the Congress what I consider to be the soundest approach that we can make.

I will succeed only as I get support.

I am sure that my friends and colleagues, who seem to feel very strongly about this matter and who indicate that there is some competitive situation between positions—and, goodness knows, I want to assure everyone there is no such feeling on my part; but I do know that all of us are a little quick tempered right now. I do not appreciate the statements made, with no name given. It is hard to agree on legislation. It is hard to get together on a farm bill. I know there are those who have not had a chance, perhaps, to read our hearings; but here are the facts in this matter.

Many of your big international cotton merchants are, in addition, big warehousemen. They have made millions of dollars a year storing cotton which belonged to the Government in their own warehouses. When we finally, against the opposition of these international cotton merchants, when they were holding cotton off world markets while they were getting rich in Mexico and elsewhere—got the Department to offer cotton in world markets—these same international cotton merchants who had opposed sales became the chief buyers, frequently buying cotton that was in their own warehouses where they had the opportunity to know what they might get in a reclassing of that cotton, which is a tremendous advantage.

We had an investigation of this matter. Believe me, I wish that my friends on the legislative committee on most of these occasions had my job, because it is not a task for which you get much thanks. I wish they would take it over because, goodness knows, they would quit spending much of what they commit us to.

Our investigation showed that some of these merchants had gotten as much as \$12 and \$15 million a year in rebates on cotton that they bought, which they had in their own warehouses. Some of that cotton was reclassified for the Government by classers who worked, normally, for the buyer who would benefit from any down-class. The names are shown in our hearings of 2 years ago.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. JONES of Missouri. If the gentleman knows that to be a fact, does he not think that the Government has a case of fraud? And does not the gentle-

man think that his committee has the responsibility of seeing that that is prosecuted? What the gentleman has said clearly outlines a criminal offense.

Mr. WHITTEN. You know, I have just been accused of going far beyond my authority. But I do not have any control over the Department of Justice.

Let me say to my friend from Missouri, we printed these investigations. They were printed. They are in the hearings. I know the gentleman, like myself, does not have time to read all the hearings; I do not have time to read hearings from other committees sometimes, too. But may I point out to him that insofar as the testimony showed, much of this cotton that had been reclassified and on which these rebates were given was, in turn, sold in world trade at higher than the original class. This is a matter of record.

We are told that under this amendment, if it is adopted, you will not have any rebates. That is technically right but misleading, because if the present plan goes through they will not get rebates but will obtain discounts, because they will pay you 85 to 90 percent to start with, and you get a discount. Is not that something, to shift from a rebate to a discount?

What are we doing in this bill? We talk about a frank and fair market. In our limitation we say, "Reclass this cotton if you want to and put it on the counter and let everybody have the same chance to bid, not only the fellow who has it in his warehouse and has the opportunity to know what he is buying." We say, "Reclass at the time of sale if you want to, but do not sell it and then reclass."

The big shipper has an advantage. The Government pig is in his warehouse, in his poke, so he buys it sight unseen to the Government, sight unseen to his competitor. He knows what he is getting. Where he once got a rebate, now he would get a discount. We would still have to sign the check. Now he would come in and get his discount. We sign the check to restore impairment to the Commodity Credit Corporation.

Let us see what is involved here. I do not want to get excited about this, but it is quite hard not to in view of some of the statements that have been made about me personally. Goodness knows, somebody had better start trying to run something. Our Committee on Agriculture sent a resolution down to the Department. Let me read what it said:

Whereas the House Committee on Agriculture has had under consideration for the past several months questions relating to the reclassing and sale of cotton owned by the Commodity Credit Corporation; and

Whereas the views of cotton producer, cotton users, and the cotton trade generally appear to be virtually unanimous that CCC cotton should be reclassified at the time of sale.

We do not do that. We do not even try to prevent reclassing at the time of sale if that is possible.

The producers, the users, and the trade generally are mentioned, as having agreed, but the taxpayer is not mentioned.

I am afraid what is wrong with this now is that we have a national farm program whereby we divide up these apples and give everybody in the deal a part of it. In this bill here today our committee has had to sign checks for about \$4 billion. We had to pay back what the Commodity Credit Corporation has paid out. Actually the producers are not opposed to our position. Let me quote them. The North Carolina Cotton Promotion Association, Inc., on March 29, 1960, sent this telegram to Secretary Benson. I quote:

North Carolina cotton producers urge 1960 regulations on reclass of CCC stocks of cotton reflect fairest price to farmers in operation. It is strongly recommended these regulations be framed to prohibit rebating purchasers following final sale.

Let me quote the message of the Tennessee Agricultural Council:

Following wire sent today to Agriculture Secretary Benson: "Due your current consideration involving reclass of CCC cotton stocks we wish to reaffirm our previously expressed opposition to reclass except where determined to be necessary by USDA and then only before being offered for sale."

So everybody will have fair treatment.

Then I quote the Louisiana Delta Council, which sent this telegram to Secretary Benson:

In view of continued discussion of reclassifying CCC cotton stocks, we would like to restate position of this and other organizations affiliated with the American Cotton Producer Associates: "Continue prohibition against reclassing of CCC stocks after sale."

Mr. Chairman, somebody is being taken when it is said the farmers are for the huge sums being paid to the cotton traders which are charged to them.

Mr. Chairman, I apologize for being excited about this matter but it was pretty hard to take a while ago to be accused of threatening anybody. I do not believe anybody who has known me in my 19 years of Congress would say that I have ever resorted to a threat.

If you vote for this amendment, it is not going to change my feeling toward you. I will have done my best. I do say, if you vote for this amendment, you are continuing to give an unfair advantage to the big American international cotton interests who have warehouses and who have this cotton in their own warehouses. Again our committee urges the Department to reclassify cotton where it finds it necessary. Reclass it if need be and lay it on the counter and give every bidder an equal chance, and thereby protect the Government's investment. What is wrong with that? Read our limitation again. It says only that the cotton cannot be reclassified after the time of sale. You cannot sell it to somebody, and after it is the buyer's cotton go out and reclass it and give him a discount as they would now, or a rebate as they formerly did. My friends, if ever there was a time in history, if you are interested in American agriculture, now is the time to begin to protect the assets of the Commodity Credit Corporation. If you do not find some way to do it, it is not only the cotton trade that will go down but the cotton farmers as well. We have brought to you our honest and sincere judgment

with respect to this matter. We are asking for fair treatment to every bidder and buyer. Let all cotton be reclassified. Lay it on the counter. Give them all a chance. We do not believe in this extra advantage—it cost us \$166 million since 1956. Again I ask you to think this matter over carefully. In this meeting that they talk about, we asked whether these buyers who would get a reclassification and a discount would sell the cotton in the world markets and in world trade at the new rate. They said, "Oh, no." We asked them if they would show us their books because they said that they lost money. There again, they said, "Oh, no." They claimed they wanted a reclassification at the time of sale. We authorize that in the bill.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. POAGE. Does the gentleman mean to say he contends it would be all right to reclass at the time of sale—and that is all we are proposing?

Mr. WHITTEN. Certainly.

Mr. POAGE. If the gentleman means that a reclass is made when these people bid—and they bid on the catalog and they have the bales delivered to them—if the bales are to be reclassified when they are delivered, I do not think there is any difference of opinion between us.

Mr. WHITTEN. My friend shifted words on me.

Mr. POAGE. Is not that at the time of sale?

Mr. WHITTEN. You say, "Delivered" and I say again if there is to be a reclassification, do not let the fellow who buys the cotton that is in his warehouse who can know what he has and then reclass the cotton after it is delivered to him—which means you just give him the warehouse receipt and the cotton stays in his warehouse.

Mr. POAGE. When do you want the reclassification?

Mr. WHITTEN. Prior to the sale.

Mr. POAGE. Prior to the sale—that is the point.

Mr. WHITTEN. Here is the point—there is no such thing as a reclass at the time of sale or so I am advised. It has to be before or after. All the wires and telegrams that I received were to the effect that they wanted the reclassification at the time of sale. But, when you analyze it, there is no such thing. The reclassification is made either before it is offered for sale or after it is sold to somebody and it has been reclassified after he has made a firm sale. We say—do it in advance and give everybody an equal opportunity and let us stop this unfair practice which is costing us \$166 million per year.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I understand that you want to reclass all the cotton in the CCC stocks; is that it?

Mr. WHITTEN. I want the CCC to make its own determination.

Mr. GATHINGS. You would want to reclass the cotton before sale and not after the sale?

Mr. WHITTEN. Certainly.

Mr. GATHINGS. In other words, you want to reclassify the cotton before sale. As a matter of fact, there will not be too much cotton moving out of the Commodity Credit Corporation because in 1960, because of the fact they have that 115-percent support level on B cotton, it has to come out of the 115 percent above the support level of B cotton, and there will not be too much cotton moving out. If you are going to spend millions and millions of dollars here reclassifying all these stocks of cotton and then if only a little cotton is sold, and 6 months later you have to reclassify the stocks again and 6 months later you have to reclassify it again—

Mr. WHITTEN. Mr. Chairman, I am sorry I cannot yield further to my colleague. I can understand that where \$166 million in rebates are concerned, they will fight very, very hard to get that right back whether it is in the form of discounts or otherwise. May I say this—the cost of reclassifying cotton is peanuts as against \$166 million. Not only that but the Department says, if we reclass it we can include those charges in our selling price. They testified that they can pass it on. Let me say again, if you do have to reclass every 6 months, do not reclass at all. But, if so, then let us treat everybody alike, including the taxpayers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. GROSS. How about corn and wheat and rice that the farmers sell?

Mr. WHITTEN. If you are going to vote for this amendment, you ought to change your method of selling wheat and corn. You have not had this benefit. If these big cotton firms take this on, you can rest assured that these other big merchants in corn and rice and wheat will take it on. We cannot stand it. We are just about bankrupt. I hope you will vote down this amendment which will provide millions in discount or rebates, charged up to the farmers.

Most Members seem not to realize that we are about to lose a farm program because of payments to nonfarmers, who advocate abolishing the price support system.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I feel sorry for those who do not understand this any more than I do, and I have had some experience with it. I am going to try to make two or three statements which I hope will be helpful.

In the first place, when this cotton is originally graded, it is classed by hundreds of people employed by the U.S. Government. During the cotton season there are many people who perhaps are not as well trained in the grading of cotton as they should be. It goes into the loan as being of a certain grade, staple, or whatever it is. Then, when we get ready to have a sale of cotton, the people make a bid, and they are bidding on a certain grade, whether it is 1 inch or whatever, and naturally they expect to buy the grade which they think they are buying. As a matter of equity, if you go into a store and say you want to buy a particular grade of a product and you

pay for it on that basis and you get home and you find there was a flaw or something in there, you would go back to the merchant and show him the flaw, and if he did not make you a refund I think you would have just cause to lose confidence.

What has happened in the past is this: Under the CCC sales program, when a purchaser bought cotton he looked it over. When he found that some of the cotton was overclassified he made demand for a refund, but if he found that some of it had been underclassified and he got a better bargain, he did not say anything about it. So the only cotton that was reclassified was that which had been overclassified, and it was an honest mistake that somebody made. Because it had been overclassified, a refund was made.

Now, we have said when we reclass this cotton we are not going to accept the obligation to reclass only that which the buyer picks out but it will all be reclassified, and then if some of it has been undergraded, we will get a higher price than the Government had made a loan on.

Another thing I think we should bring out is the fact that this section of this bill, whether the committee admits it or not, is legislation in an appropriations bill. I submit to you that if we are going to operate under our system of committees—I do not say that every member of the House Committee on Agriculture is an expert—I know I am not an expert, but I do believe that if I put in a lot of time and try to inform myself, on things that pertain to the agricultural economy that are referred to the Committee on Agriculture, I think the decisions on policy should be made there. Because there might be a difference of opinion between the Committee on Appropriations or the individuals on that committee,—I have the greatest respect for all those on the committee—the chairman, Mr. MARSHALL, Mr. ANDERSEN, and all of the other gentlemen on the committee. I do not doubt their sincerity at all. But I do say, with all sincerity, that I think the Committee on Appropriations has encroached upon the duties of the other committees of Congress. I think that policy is growing too much. I do not think that could have been sustained on a point of order, but I think anyone reading this section will admit that it is legislation.

They are legislating in this appropriation bill, which is contrary to the rules of the House.

Another statement has been made here which I think has been misleading and confusing, and I want the chairman of the committee to pay particular attention to this. The officials of the Department of Agriculture when they were before our committee when we were considering this and before our committee adopted unanimously a resolution asking the Department of Agriculture to reinstate this practice of reclassification, we asked about other commodities; and I think I am correct when I say that if I as a purchaser go to the Department of Agriculture and buy 10,000 bushels of wheat supposed to be of a certain grade, make the purchase on that grade, but

when the wheat is delivered to me it grades lower, that I do not pay the amount I originally agreed; I pay the amount based upon the class of wheat at the time of delivery. I ask the gentleman from Mississippi [Mr. WHITTEN] if that is correct? The gentleman made a statement a minute ago. Can he not answer my question?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent Mr. JONES of Missouri was allowed to proceed for 5 additional minutes.)

Mr. WHITTEN. May I say to the gentleman from Missouri I join with the gentleman from Minnesota. I was quoting him. I was also speaking my own understanding of the matter, but I am not an expert on that.

Mr. JONES of Missouri. Let me rephrase my question. I do not want to be misleading. The chairman has made a statement here. He is a good friend of mine and much as I admire him on many things I think sometimes he, like the rest of us, gets a little confused.

As a matter of equity, would it be fair for the purchaser to pay the price for the commodity at the time he was buying or to pay the price for the commodity at the time it was delivered. Which would be fair?

Mr. WHITTEN. May I answer that in my own way?

Mr. JONES of Missouri. Yes.

Mr. WHITTEN. Classifying is an art, not a science. The same classifier will class the same bale one way one day and another way another day.

Mr. JONES of Missouri. The gentleman is evading the question. I am not going to yield further. I asked a straight question. Is it or is it not? Is it right or is it wrong? And the answer can be yes or no, or right or wrong. You are trying to get in an argument about the art of classifying cotton. That is not the question. The question is one of fact: Should a man pay for something he does not get?

Mr. WHITTEN. He bought cotton of a certain class that is offered in the catalog. This is from the stock. There is no guarantee by the catalog that they will deliver that. There is a need to reclass cotton, but the catalog does not guarantee that, on the day you get it, it will be that. It is listed in the catalog, showing the day it was classed. That governs.

Mr. JONES of Missouri. I wish to yield now to the gentleman from Minnesota to answer the question about wheat and corn.

Mr. MARSHALL. The gentleman from Missouri asks me a question concerning statements I made relative to the grading of wheat and corn?

Mr. JONES of Missouri. Yes.

Mr. MARSHALL. I will say to the gentleman that the buyer of stocks from the Commodity Credit Corporation buys those on the basis of the grade; he pays for it on the basis of that grade, and they are accepted on a basis of that grade. If they grade at a lower grade in his estimation he can ask for an appeal of that grade, but it does not usually affect the price which he pays for that commodity.

Mr. JONES of Missouri. What does he appeal to?

Mr. MARSHALL. He appeals to the Federal Grading Authority.

Mr. JONES of Missouri. And then if it is graded lower does he get a refund?

Mr. MARSHALL. No.

Mr. JONES of Missouri. What does he get to make up for it?

Mr. MARSHALL. I do not know of any instance on record for cotton where a rebate has been made for change of grade.

Mr. JONES of Missouri. Do they give him more wheat for it? Do they give him something? My point is this: If I buy wheat and it turns out to be a lower grade than I paid for, does the gentleman mean I do not get a refund?

Mr. MARSHALL. You do not.

Mr. JONES of Missouri. Why does a person appeal from a grade then? That is what I want to know; what does he get on an appeal?

Mr. MARSHALL. Attempts have been made to re-collect on that basis. To my knowledge they have not been able to do so.

Mr. JONES of Missouri. If you have corn that has molded, it might be taken in as No. 2 corn. If it has deteriorated in a bin it is not going to be sold except as such.

Mr. MARSHALL. He has accepted the grade of that corn on the basis of purchase, and he accepts it on that basis. That corn may be shipped in a car for 2 weeks, then he takes an appeal, the grade is appealed, and the grade is lowered. Can the Government back up that kind of a setup?

Mr. JONES of Missouri. I refuse to yield further. Let me make this statement: The gentleman has said that there is an appeal. I leave it to your reasonable judgment. If there is a provision for appeal and there is no provision for a refund what is the use of having an appeal? Does that not make sense?

Another thing. Let me say this: I am not smart, but I can listen sometimes. I do know that the representatives of at least two divisions of the Department of Agriculture have appeared before our committee this past week. I asked them specifically about this and they told me unequivocally that in the case of wheat or corn or grain if the Government made a sale and that wheat, corn, or grain did not measure up to the standards that the purchaser was paying for, there was a refund.

I make that statement unequivocally.

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, I rise in opposition to the pending amendment.

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, I direct my attention to representatives of the city who perhaps have been as confused as I have been in the past. If this amendment is adopted it will be one of the greatest boondoggles and giveaways that this Congress has ever made. We have seen the extent and the enormity of

it to the tune of \$166 million-plus. There have been some conversations by the gentleman from Louisiana and the gentleman from Alabama that it is unfair for these people to get a lesser classification or lower grade than they bargained for. That is not the case, however. They know what they are getting because the representation to them is that it is a certain class on a particular date. Many of the people who are buying these commodities are warehousemen who have the cotton in their warehouses and they know the condition, they know the true classification.

Let us see what the Assistant Secretary of Agriculture, Mr. McLain has to say. On page 456 of the hearings, part 3, a question was asked by Mr. WHITTEN:

Do you just say that it is what you classed it on that day it appears in the catalog?

Mr. McLain. We just say "This is what it was the day it was classed."

Mr. WHITTEN. So there is no misrepresentation to the buyer, is there?

Mr. McLain. In that sense, no.

There is no representation. They know the custom is they are buying it on the date it is classified. There may be a change, but in the past they have come in and asked for a rebate and now it is a discount, and that has cost the Government, through the Commodity Credit Corporation, \$166 million.

If you continue this type of practice, the city folks will say, "Well, a plague on both your houses," and it will destroy the farm program. The farmers will be in another terrible fix.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I say to the gentleman that our committee has made no such proposal. Our recommendation was to the effect that the procedure should not involve rebates to purchasers. We abhor that \$166 million rebate just as much as your committee does, but what we are saying is that a man should not be forced to buy a pig in a sack.

Mr. SANTANGELO. The gentleman knows and the trade knows that they buy it as it is classified, and if you will look at page 458, you will find out the number of warehousemen who have the cotton stored in their warehouses, and they know what it is. They are not being deceived or fooled.

Mr. COOLEY. You are talking about something that is water over the mill. Let me read a statement, and this is important. This is language of Mr. McLain:

I have been pretty close to the grain business all my life and know that all grain is bought and sold on the basis of what it is the day that you buy and sell it.

Mr. SANTANGELO. Apparently he is telling the legislative committee one thing and then telling the Committee on Appropriations another thing. I trust this amendment will fail.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. One short question. I am asking this in all sin-

cerity. Does the gentleman believe that the recommendation made by the House Committee on Agriculture that the Department adopt a certain procedure, or to put it in another way, do you think that we are asking them to go back and do exactly as they did, say, 2 years ago?

Mr. SANTANGELO. The gentleman from North Carolina answered that question. He said you are asking not to go back. That is the answer to your question. But, what we are saying, it should be classified before it is sold so that they will be protected more than they have been protected in the past, but they know that up to this point they are buying the thing as it was classified when it is in the catalog.

Mr. JONES of Missouri. Do you not think we have made some provision in there to protect against the very thing that you are saying and we are not reverting to the past practices but asking for equity?

Mr. SANTANGELO. We are asking that the farmer be protected and also the purchaser; that the cotton not be classified after sale, with none of these rebates or discounts, which is discrediting this farm program.

Mr. NATCHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I yield to the gentleman from Georgia [Mr. PILCHER].

[Mr. PILCHER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

(Mr. ABERNETHY asked and was given permission to proceed for 5 additional minutes and to revise and extend his remarks.)

Mr. ABERNETHY. Mr. Chairman, I come from a cotton growing district made up of very small cotton farmers. I believe I represent in the State of Mississippi more cotton farmers—not more cotton acres, but more cotton farmers than any other Member from our delegation.

I am not in the slightest affiliated with nor interested in international cotton shippers, cotton merchants or any of the so-called big-business cotton people. However, my philosophy of government is such, it has been and always will be, that I believe my Government ought to deal rightly and fairly with all people, irrespective of their size or whomever they happen to be. It is my feeling that American citizens should all have equitable treatment at the hands of their government. It is with that philosophy, and that view that I address myself to this amendment, that I support it and beg you to support it. I believe it is right. I believe it is fair; and I believe it is in the interest of the cotton industry, particularly the cotton farmers of my congressional district.

I have the highest regard for my colleague from Mississippi, an able member of my delegation, and an able and effective Member of this House. I concede to him that he was motivated by the highest of principles when he included the language in this bill which we propose to strike. It just happens that my committee, all 34 members thereof, com-

pletely disagree with him and his colleagues on the Appropriations Committee.

What are we asking this House to do? We are asking you to permit the establishment of a program for the disposal of Commodity Credit cotton in identically the same manner that it disposes of other commodities to which it has taken title. What we seek is to bring the cotton disposal program in line with the disposal of wheat, corn, feed grains and all other commodity stocks. We are asking that the Department apply the same rules and the same regulations to all commodities alike, which rules and regulations we firmly believe to be sound and equitable and which we also believe will be in the best interest of our farmers. We do not seek special privileges for anyone. In fact, these are things which we protest and abhor. We would not under any circumstances be a party to such.

With all deference to those who have contended to the contrary, I can assure you that if you go to the Commodity Credit Corporation and purchase wheat or corn of a certain quality and a certain grade, if the Corporation does not deliver to you the quality or grade which you purchased, then you are entitled to and you will receive an adjustment. As my colleague from Missouri [Mr. JONES] pointed out a few minutes ago, there is a systematic means of appeal made available for that specific purpose. The Government is bound to make good on its representations. The only sort of Government which refuses to make good on those conditions is found behind the Iron Curtain.

How does the proposal which we support function with reference to cotton? The cotton is cataloged according to staple and grade. It is offered for sale according to staples and grades. When a purchaser orders from that catalog he is entitled to have delivered not only the quantity ordered but also the cotton of the staple and grade which he ordered.

Let us compare the situation to that of a wholesale hardware house which lists items for sale according to quality and grade in its catalog. Therein you will find listed certain sizes and grades of pipe. Let us say that from the catalog you ordered 6-inch pipe. They shipped it to you but when it is delivered you find it is 8-inch pipe. If the delivery happens to be of a better grade as in this case and a higher priced pipe than that which you ordered, then you should pay the difference, that is, if you keep it. That is what we propose in the amendment we offer here today. If it is of a cheaper grade, such as 4-inch pipe, then you are entitled to a credit, that is, if you retain it. That is exactly what we support here today with regard to the disposition of Government stocks of cotton. If you order from the Government's catalog a particular bale of cotton which you cannot see (and you cannot see it because the stocks are stacked in warehouses, four, six, or eight bales in height, spread over an area of acres and acres), then you are entitled to have delivered exactly the quality which you ordered.

If it is found upon delivery that the purchaser has received a higher quality cotton than that which he ordered, then our amendment requires him to pay for it, in full. If the delivered order is found to be of a poorer quality than the purchaser is required to pay only for that which he received.

This is exactly what the Department of Agriculture is proposing in its disposal program. Certainly the equity of it cannot be challenged. And we of the legislative committee support it because it is equitable. I have never found that we got in trouble when we deal rightly and fairly with our people.

There may be some in our country—and unfortunately there are a few—who offer to sell goods of a certain quality and then deliver goods of a poorer quality. In some instances they get by with it. But that does not make it right.

Do you think your Federal Government should be permitted to do that? Do you think it is right? Do you think it is fair? Do you think it has merit? Is it the sort of example you would have your Government establish? Or be a party to? Are you going to force the establishment of a sales program which would deny the great Government of the United States of America the privilege of making restitution for its mistakes? Or will you require our Government to live up to the same principles that we expect of ourselves as citizens? Actually this issue is just that simple.

Mr. Chairman, much has been said about this \$166 million refund. What is the truth about it? These refunds were made possible under another program, under another set of rules. We do not approve that program or system, either. We do not seek its reinstatement as has been inferred. We agree it was wrong, and we congratulate our colleagues on the Committee on Appropriations for complaining about it. We salute them for uprooting and putting a stop to it. We think they rendered a fine service to our Government and also to our farm people. All of us stand foursquare on that point.

Under the old program, these merchants bought cotton from the Commodity Credit Corporation. On delivery they picked out the good bales and said, "Oh, we have a premium here so we are not going to ask that these higher quality bales be reclassified. We will just retain these." But some of the cotton delivered was not up to the quality of that which they purchased. So, they sought and regained a reclass of this particular cotton. Thus the rebates of \$166 million.

That program was a mistake. We fully agree with that. Such should never have been permitted. The administrators of the program made a mistake and a bad one. They are not proposing to return to such a disposal program and we would not condone or tolerate it if they did.

We have now recommended to the department that it put into effect a disposal program which has been endorsed from one end of the cotton belt to the other—the cotton farmers, the cotton trade and everybody that I know of—including the American Farm Bureau

Federation which is the largest farm organization in America.

We are seeking the institution of a program which will require the entire delivery to be reclassified, not just a part but all of it. If the grade delivered is better than that which the purchaser bid for, then he will be required to pay for the better grade; if it is of a lower grade then he will be required to pay only for the lower grade. Is that not right? Is that not what should be done?

Now, my friends on the Appropriations Committee themselves say they do not object to a reclass. In fact, they recommend it. But they say reclass all of the Federal stocks before every sale. Nothing could be more costly or impossible.

I think I can straighten you out on that. Do you know how many bales of cotton there are in storage today? I understand that there are about 8 million now stored in Commodity Credit Corporation stocks.

Do you know how often they have these sales? As often as once a week, several sales each month.

Are you going to require the Government to spend 69.7 cents a bale—which is the approximate cost—to reclass every bale when we know only a small portion will be sold? And then follow this up, week after week, sale after sale? It would cost better than \$5 million to reclass every bale right now? Is this to be done over and over and over before each sale? Why it would soon wreck the Commodity Credit Corporation. If the entire stock moved out on one sale the proposal would have merit. But on the contrary only a small amount is bid off at each sale.

Of course, you are not going to require such as that, but that is what our friends on the Appropriations Committee have contended should be done. It is most impracticable and too costly. We ask that they reclass only the amount which was purchased by the merchant.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi may proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ABERNETHY. I thank my distinguished chairman. We ask that the reclassing be limited to only that which the purchaser bought.

Who is going to pay for the reclassing under the program which we, on the legislative committee, are supporting? Would the Government have to pay? No; the Government would not pay one dime of it. But that is what the Committee on Appropriations is recommending. They not only recommend that the Government reclass at its expense the entire 8 million bales of cotton before the next sale, but they recommend that this be the practice before every sale. Mr. Chairman, we are confident they just have not studied this matter through. Under the program which we of the legislative committee support and which the Department has announced, this costly expense would be avoided completely, and the cost of reclassing

all purchases will be paid for by the purchaser.

Mr. Chairman, I am very sorry that this hassle has taken place this afternoon. Maybe it is not quite correct to describe it as a hassle because I recognize the sincerity of everyone and the existence of honest differences of opinion. I concede to those who differ with us the right to their views and I have no doubt but that they concede the same to us. I regret that the issues could not have been fought out in the committee rooms. As for our committee we had no knowledge that the Appropriations Committee would tack a limitation on its bill which is nothing short of legislation and actually the prerogative of the legislative committee. Therefore, we would have been derelict in our duty and responsibility if we had not met the issue head on.

Mr. Chairman, in conclusion I want to repeat, all we are asking you to do is to require the Government of the United States, of which you and I are a part and an arm thereof, to live up to its representations and to the same degree of scrupulous dealings that is expected of its citizens.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. ABERNETHY] has expired.

Mr. BOGGS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am not a member of the Committee on Agriculture nor a member of the Committee on Appropriations. I have the highest affection and the most profound regard for both the chairman of the Committee on Agriculture and the chairman of the subcommittee presiding over this legislation. If it were not for the fact that the office of the Commodity Credit Corporation which handles this program is located in my city, and if it were not for the fact that many millions of bales of this cotton move through the port which I represent, I would not presume on this body to enter into this debate. But in view of the fact that this is the case, I hope you will bear with me for just a few moments.

I was much interested in the remarks of my good friend from New York [Mr. SANTANGELO] when he referred to the basic difficulties confronting people who represent urban districts in connection with the farm program generally. It happens that I represent a district that is almost as urban as that represented by the gentleman from New York. I would say to the gentleman and to the chairmen of this committee and the Committee on Agriculture that what we are concerned with is a Pandora's box of a program which has turned over the entire cotton industry to the Federal Government.

This problem being discussed would not have arisen if we had normal channels of trade and commerce for the disposition of cotton. Formerly the producer, the trader, the merchant, the textile mill all did business across the table.

Were that the case now you would not have this trouble. But the truth is the Government today is the main factor in all cotton operations.

I was quite amazed last year to learn that on a day when for the first time in modern history no cotton moved on the New Orleans Cotton Exchange, on that very day the Community Credit Corporation, or the Government of the United States, sold something like a half million bales of cotton. So that at the time when the merchants and exchanges, and all the rest of them, were laying off personnel because they had no work for them to do, the Commodity Credit Corporation in New Orleans was putting on hundreds of extra people to handle this program.

So that if there ever was a program—and I say this without being critical of anyone—where the Government has taken over, lock, stock and barrel, it is the cotton program. This is what happens when you have almost complete Government operation. I do not know what the solution is. I do not pretend to give you a solution, but I do know that we have opened up all kinds of Pandora boxes. And I know that the amendment of the gentleman from North Carolina is fair and necessary if the cotton exchanges could function we would not need the amendment because the Government would not own all the cotton.

I heard my good friend the gentleman from Georgia [Mr. PILCHER], who sits on the Foreign Affairs Committee, talking about the great international merchants; and I have heard all these names thrown around, all of these comments about boondoggling, and so on and so forth.

I am not too much influenced by them, for all of you know people use these adjectives to discredit or credit an operation. But I will say that if there ever was a boondoggle it is this differential that for some reason or other we have had to create so that if you buy cotton for consumption in Japan you pay 6 or 8 cents less than you do for cotton for consumption in Georgia or in North Carolina or in South Carolina. We have had to do this, we are told, in order to get this cotton into channels of world trade. The so-called international merchants are the ones who moved about 6 million bales of it this year under this program. This comes back to our Committee on Ways and Means, because the gentleman from Georgia [Mr. DAVIS] complains, and probably with some justification, if not a great deal, about the discrimination against the textile industry in the United States as a result of this price differential for foreign textile mills.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. BOGGS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. WHITTEN. Reserving the right to object, and I do not want to, I would like to have some indication about how many Members wish to speak on this amendment. I ask unanimous consent that this amendment and all amendments thereto close in 30 minutes, the last 5 being reserved to the Committee.

Mr. HIESTAND. Mr. Chairman, if

the gentleman will yield, I would like 10 minutes.

Mr. WHITTEN. I cannot agree to that, the gentleman understands.

Mr. HIESTAND. Mr. Chairman, reserving the right to object, I sat here patiently all afternoon listening to the debate on the other side of the aisle and have had no opportunity to speak. I respectfully request that I be afforded 10 minutes' time.

Mr. WHITTEN. Mr. Chairman, I withdraw my consent request; I do not want to preclude the gentleman if he wants later to get recognition.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana that he proceed for 5 additional minutes.

There was no objection.

The CHAIRMAN. The gentleman from Louisiana is recognized.

Mr. BOGGS. Mr. Chairman, the reason I mention all this is because I think it is pertinent. I hear much talk about scandal in warehousing. I do not know whether there is any scandal in it or not, although I hear people talking about it; but, after all, we know that cotton textile mills used to pay for warehousing cotton. If the Government of the United States pays for it—and today the Government is the biggest warehouseman in the business—the mills will not. Now the Government pays.

All this means that today the question is: What kind of merchant is the Government? That is really what is involved here.

Is reclassification something new in the cotton business? I do not think so. As far as I know it has been going on ever since people have been trading in cotton; and as far as I know it was carried on until July 31, 1959, by the Commodity Credit Corporation. I can assure the gentleman from Minnesota that I am as much opposed to rebate, to fraud, to boondoggling as he is; but I also believe in fairness, in equity, and justice. The gentleman in response to the question of the gentleman from Missouri [Mr. JONES] regarding grain made certain assertions. I will read to the gentleman from testimony on the 1960 cotton program, a joint hearing before the Subcommittee on Cotton, and so forth, Committee of the U.S. Senate, testimony of Mr. McLain, in response to a question which I asked. I asked the identical question the gentleman from Missouri asked; and Mr. McLain, the Assistant Secretary of Agriculture, said this:

Congressman Boggs, grain is sold on the basis of the grade the same day it is sold. You would not think of selling a carload of corn unless the fellow you sold it to had a right to get a grade the day he sold it. He would think that you were stupid if you talked about anything else.

I do not know whether there are any grainmen here, but this is true.

The cotton people think this is a privilege they ought to have. I personally, and I am speaking personally now, have a lot of sympathy for that point of view.

I said:

How is grain sold?

It is sold in many ways.

I said:

I do not know. Tell me about it.

He said:

I have been around long enough to know when people buy grain that they like to know what they are buying, not what the grade was at 6 or 3 months ago, but today.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I am so much pleased that the gentleman called that to my attention because that is exactly what I intended to say. The grain we have been talking about is graded on the day it is sold, not 3 months afterward.

Mr. BOGGS. Mr. Chairman, I do not want to inject myself into the heat that seems to be involved here between these two great committees. As I said in the beginning, I have profound respect for both of them. The thing that concerns me about the language written into the legislation by the gentleman from Mississippi [Mr. WHITTEN] is that it is an absolute prohibition against the trade practice which I think is completely legitimate and which has been carried on by the trade ever since it has been in existence.

The language suggested by the gentleman from North Carolina [Mr. COOLEY] may have some defects, I do not know, but it permits this body working in conjunction with the other body to work this thing out so that it can be fair and equitable to the people who purchase cotton. I say this is what we should do.

In conclusion and in reiterating what the gentleman from Mississippi [Mr. ABERNETHY] says, may I say that this is what the Government of the United States should do. If the Government of the United States has become the biggest warehousemen, the biggest storer, the biggest seller, the biggest exporter, then the Government of the United States owes the same degree of integrity as any other vendor and for us to do less than that is simple dishonesty.

Mr. HOEVEN. Mr. Chairman, I rise in support of the Cooley amendment.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. WHITTEN. Mr. Chairman, reserving the right to object, and I shall not object, I ask unanimous consent that all debate on this section and all amendments thereto close in 30 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa [Mr. HOEVEN] to proceed for an additional 5 minutes?

There was no objection.

Mr. HOEVEN. Mr. Chairman, at the outset I would like to clarify the RECORD as to the grading of corn and wheat. I think there should be no question that every bushel of grain delivered in this country is at the grade at the date of delivery. Now, when the Commodity Credit Corporation sells grain, the purchaser pays for the actual grade delivered by the Commodity Credit Corporation. If a warehouseman storing grain for the Commodity Credit Corporation delivers grain of a higher grade than called for by Commodity Credit Corporation warehouse receipts, the excess value is credited to a premium account. Later, if he delivers a lower grade than called for by the Commodity Credit Corporation warehouse receipt, the discount which would be assessed against him is offset against this premium account. Cash is not paid for deliveries of grain to the Commodity Credit Corporation if of a higher grade than called for by the warehouse receipt. I hope that will clarify the RECORD.

Now, Mr. Chairman, I do not pose as an expert on cotton. In fact, I know very little about it, although I have learned a lot about that commodity during my several years as a member of the Committee on Agriculture. The procedure for Commodity Credit Corporation cotton sales has for some time now been a point of dispute between the Agricultural Appropriations Subcommittee on one side and the House Committee on Agriculture and the Department of Agriculture on the other side. Naturally the members of the Committee on Agriculture, the legislative committee, are jealous of our rights and prerogatives. It has been clearly indicated heretofore, that there has been entirely too much of this usurpation of the committee's rights and prerogatives.

Section 403 of the bill is also controversial. That section is within the jurisdiction of the Committee on Banking and Currency. It seems to me that the legislative committees of the House should establish policy and do the legislating and let the Committee on Appropriations appropriate the money.

The proviso in the bill relating to reclassing of cotton would, in effect, reverse the announced method that the Commodity Credit Corp. will use in selling its cotton, and it would require a return to "catalog buying," which practical experience has proved unsound. Under the announced method of operation, the Commodity Credit Corp. will take in cotton from farmers under nonrecourse loans, and by direct purchaser, under the "A" program. After the required period of time has expired and if farmers have not repaid their nonrecourse loans, the Commodity Credit Corp. will take title to the cotton. This cotton is classed and graded at the time it comes under loan, or is purchased. At a later date, which is often several years, the Commodity Credit Corp. will sell the cotton by competitive bids but will guarantee a certain quality. Even under ideal storage the quality of cotton tends to deteriorate with age. After the sale the cotton will be reclassified at the buyer's expense,

and if it does not meet the guaranteed quality, the Commodity Credit Corp. will make an adjustment for the buyer. If the quality is above that guaranteed quality, the Commodity Credit Corp. will receive an adjustment from the buyer. This is completely fair, equitable, and just.

Mr. Chairman, it may be rather unique for a corn farmer to take the floor in behalf of the small cotton farmers, and shippers. What we are proposing to do here by striking this provision from the bill is for the benefit of the small cotton farmer. The big cotton farmer can take care of himself. He knows the ins and outs of the trade. It is the little fellow who needs our protection.

The present announced procedure is better, first, because it treats all commodities alike. Commodity Credit Corporation sells its other commodities on the basis of reclassification at the time of sale. It is sound administration to treat cotton in the same manner.

Secondly, it is a sound and equitable method of doing business. It is fair to both the buyer and the seller. The buyer knows what he is getting rather than buying a "pig in a poke" as proposed by the bill.

And, thirdly, the procedure under which adjustments are made is a two-way street. If cotton reclasses higher than that agreed upon, the buyer must reimburse CCC. What could be more fair and equitable and just?

Reclassification before final settlement is necessary to assure purchasers that they will receive what they pay for. This is particularly important to small shippers. Large merchants can operate better than small merchants when reclassification is not permitted, since they can operate on the basis of averages on a large volume of cotton. Small merchants handling limited quantities of cotton find it difficult and could incur substantial losses on particular lots of cotton. Therefore, it is highly desirable to keep small merchants in the program to the maximum extent practicable.

As to saving some money, the Department of Agriculture is convinced, and I am convinced, that selling cotton subject to reclass yields a higher net return to CCC on its investment and minimizes rather than adds to the capital impairment of the Commodity Credit Corporation. While an adjustment is required when cotton is sold in this manner, it is believed that, if cotton were not sold subject to reclass, buyers would have recognized the fact that the cotton may deteriorate after extended storage periods and protect themselves by submitting lower bids.

And so approval of the amendment is going to save the CCC some money. Both the Committee on Agriculture and the Department of Agriculture feel that the proviso set out in the bill is unsound because it would again, as I say, require "catalog buying," buying a "pig in a poke," which would be detrimental to the small shipper when he purchases from a great big pile of stored cotton in the warehouses, he knows he has to gamble, whereas the sharp, big oper-

ator, the big shipper, knows what he is doing, and can afford to put in a lower bid.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. PELLY. I do not quite understand; after a reclass, is there a protection to the taxpayer and the Government against a windfall just as there is to the purchaser?

Mr. HOEVEN. There is; if the quality is above a guaranteed quality, CCC receives an adjustment from the buyer. It works both ways.

Mr. PELLY. Under the Cooley amendment?

Mr. HOEVEN. Yes. It saves the taxpayer money and saves the CCC money. The proposed amendment is fair, equitable, and just and should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I think there have been altogether too many things said this afternoon but some things still need to be said. I have no ill feeling toward anyone. I do not charge any improper action, but I do feel that the subcommittee has exercised unsound judgment.

I think we should point out clearly that what we of the Agricultural Committee are asking the Government to do is exactly what that same Government requires of individuals. When individuals make sales of this kind they have to make good, they have to deliver what they purport to offer. I think a good many of our Members do not understand, even after the prolonged discussion, as to how CCC cotton is sold.

Cotton is sold from a catalog, a book, a big book like the telephone book. It says that 500 bales of Strict Middling cotton is in a warehouse at Waco, Tex. Cotton buyers all over the country are invited to bid. They have no way of seeing the cotton. They must bid on the representations in the catalog. If they bid as much as the minimum they will be considered. If anybody bids above the first bid, the high bidder gets the cotton. They are bidding on something which is described to them by their Government. They are told that this is Strict Middling cotton, and if it turns out that it is Low Middling, they are certainly not getting what they bid on. Is it fair for the U.S. Government to sell cotton that way? I think the gentleman who preceded me explained it very well. Certainly the big cotton firms are going to know about how much of this cotton will be overclassified and how much underclassified. They will know the average, by which all cotton may be expected to fall under the catalog grades, and they will bid low enough that overall they will suffer no loss. The law of averages—the basis of all insurance will protect the large cotton firms—at the expense of the Government. Surely the Government will get less for the commodities it sells when there is an uncertainty as to the quality of what it sells. Surely, the small cotton buyer cannot

protect himself because the law of averages offers him no help. If you or I were to buy 1,000 bales of cotton thinking it to be Strict Middling, and it turned out to be Strict Low Middling, it would break us. That is why the big firms can live under the subcommittee's proposal while the small buyers cannot.

If we do not believe in maintaining grades we ought not to have grades in the United States. The reason we have grades in all commodities is that we believe it enables the producer to get a fair market and for the buyer to know just what he is buying. That is the only purpose of having grades. If we are to describe cotton by grade and then not have the U.S. Government live up to the announced grades, then it seems to me we had better quit grading any commodity.

There are a number of other fields of misunderstanding, but in only 2 minutes I cannot go into many of them. The gentleman from Minnesota is under a severe misapprehension when he tells us that wheat and feed grain grades are not made good. The U.S. Government sells wheat and feed grains on the basis of the grade at the time of the sale. The grade is taken at that time and that is all that we are asking for cotton. Grain is graded at the warehouse at the time it is weighed out to the buyer; we ask that cotton be graded at the time it is delivered. We do not sell grain by catalog. There is no such thing as selling these grains by catalog. They are sold by actual inspection, and it is made at the time of the sale. That is all in the world we are asking for cotton.

Mr. MARSHALL. If the gentleman will yield, I want to concur in what the gentleman says. That is what I have been trying to say, too.

Mr. POAGE. That is all we ask for cotton; that it be classed at the time it is sold. We just ask for cotton that the buyer should be able to see what he is getting at the time of delivery—he cannot see before delivery—and that if it develops that the Government cannot deliver what it advertised that it should adjust the price in line with what is actually delivered. If you are not going to allow cotton to be classed at the time it is sold you are asking it be classed a long time before it is sold. The result must be to cause the bids to be considerably less than they would otherwise be.

When you seek to involve your Government in some sharp practices which would not be tolerated in private business you must expect the Government to lose in the long run. I urge you to do the fair and the honorable thing. I urge you to let those who buy cotton from their Government have the same assurance of truthful representations that they would have if they were dealing with private business, or even if they were buying grain from the Government.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, I rise to express support for the amendment that has been proposed. I also want to express to the Subcommittee on

Appropriations for Agriculture my appreciation of the courtesies they have extended to me from year to year in the opportunities to present testimony before them. I sincerely appreciate it.

I was interested in the remarks of the gentleman from Louisiana [Mr. Boggs] in which he comments on the fact that cotton finds itself in a situation where Government is now the biggest exporter, Government is the biggest warehouse of cotton, and Government is the biggest seller of cotton. This is a fact in relation to the commodity cotton in which many of us have been very much concerned as we analyze new farm programs. I think his remarks to that point are a good warning to those who think Government planning for every commodity is the only answer to American agriculture.

This predicament in which cotton finds itself repeatedly, as exemplified by the confusion in the discussion of this detail this afternoon, is a very good point to keep in mind as we think of farm programs which are supposed to be in the best interest of the American farmer.

I urge support of the proposed amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, not being a member of either of the committees involved in this discussion today, I am a little reluctant to inject my remarks into the program. However, coming from an area which is both a heavy cotton producing area and the heaviest cotton manufacturing area in the United States, I believe I have a bona fide interest in this matter. As I understand the Cooley amendment, its effect would be to put a purchaser from the Government in the same position as a purchaser from a private seller.

Some of you gentlemen, perhaps, are not familiar with the customs of the cotton trade. When a cotton manufacturer or a cotton buyer purchases cotton from a seller, it is subject to classification—or reclass, if you desire to call it that. Then if the parties are unable to agree on the reclass, under the standard cotton contract the classification is then submitted to arbitration.

The parties are bound to abide by the decision of the arbiters.

As I understand this amendment, it would merely say when an individual buys from the Government on the basis of a catalog quotation, saying that the cotton is strict middling of a certain staple length, then if it does not come up to that specification, the purchaser is entitled to have a classification and to get what he has agreed to buy from the Government in the first instance. That is to say, the buyer should only pay a price commensurate with the quality of the cotton delivered to him. I submit to you that this is merely fair play. It is consistent with the customs of the trade.

I cannot see how the adoption of the Cooley amendment will in any way prejudice the position of the farmer who, in the first instance, is selling this cotton to the Government. His transaction is

over. He sold it at a certain classification which, apparently, was agreeable to him—or he put it under the loan program. The farmer is not injured in any way. If it is injurious to purchaser, then the Government should live up to its contract and to its agreement with the purchaser. Our Government should do the right thing with those people who are purchasing on a quotation from the Federal Government.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. JENNINGS].

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman, I hope we can bring this question into a little better perspective. Many accusations have been hurled by people who, I think, have honest differences of opinion. But first of all, I would like to make it clear that the members of the legislative committee are not in any way connected with the large exporters or with the warehousemen, as has been charged here today. I am not a member of the cotton subcommittee, but it was my privilege to listen to the testimony throughout the hearings. I listened to the testimony, I feel with an open mind and impartially. First of all, these hearings were conducted in a very fine and open manner. Everyone who was interested in this problem was asked to testify. Both the chairman of the legislative committee and the appropriations subcommittee were present. The resolution that was adopted by the legislative committee was read in part, but all of it was not read, and I would like to read it at this time:

Whereas this committee has had under consideration for the past several months questions relating to the reclassing and sale of cotton owned by the Commodity Credit Corporation; and

Whereas the views of cotton producers, cotton users, and the cotton trade generally appear to be virtually unanimous that CCC cotton should be reclassified at the time of sale; Therefore be it

Resolved, That the Secretary of Agriculture is urged to put into effect as expeditiously as possible the uniform policy of reclassing all CCC cotton at the time of its sale and that this be done in such a manner that the procedure will not involve rebates to the purchaser but that, instead, the final price of the cotton which the purchaser will be obligated to pay will be determined by the reclassing carried out at the time of sale and that all of every lot of cotton sold shall be reclassified.

As I understand it, that is exactly the same procedure that is asked for and is given to the grain trade.

This is the testimony of Secretary McLain before the committee:

I have been very close to the grain business all my life and know that all grain is bought and sold on the condition of what it is the day that you buy it and sell it.

That is everything in the world we are asking for under this Cooley amendment, that this cotton be classed what it is the day you buy it or the day you sell it.

The CHAIRMAN. The gentleman from Washington [Mr. HORAN] is recognized.

Mr. HORAN. Mr. Chairman, I think it has been established that this language sought to be stricken is not legislation, and that the Appropriations Committee is completely within its rights in putting in a restriction against the possibility of loss to the American taxpayers of \$166 million in the future. The other committee has this correspondence with the Department, but why in the world we should not take a firm stand and have something written in ink instead of water is beyond me. I think this language should be allowed to remain in the bill. I think this language is fair. Certainly it is fair to the American taxpayers, and it ought to be allowed to remain in the bill.

The CHAIRMAN. The gentleman from California [Mr. SISK] is recognized.

Mr. SISK. Mr. Chairman, I am not a member of either of the committees that have been discussing this bill, but I am concerned with this provision because it is the understanding of the people in my area that this language would tend to preclude the movement of cotton out of Commodity Credit warehouses and would simply cause potential buyers to lay off and refuse to purchase cotton.

I think that basically we agree in principle. We agree that some of these rebates and some of the things they have found to have happened in their investigations have certainly not been good. They are things that should be prohibited. But it seems to me that the language which has been used here is not in the best interests of the cotton industry. If allowed to remain exactly as it is in the bill, it could preclude the movement of a lot of cotton from the Commodity Credit warehouses.

In handling cotton, if a potential purchaser desires to buy 10,000 bales of cotton and makes an offer of a certain price, say 30 cents per pound for middling inch cotton, and the Government says, "We will take it on that basis," then of course the purchaser wants to know that he is going to receive value in line with what his offer is. This language which says "after the time of sale" becomes rather important. When is the sale consummated? I would like to ask the chairman that question.

Mr. WHITTEN. May I say what our intent was. At the time the trade is closed. That is the time of sale. We mean it is reclassified in time to offer it to all business. There is no question as to what we intended.

Mr. SISK. As a practical matter, it seems to me you are saying that the Government would have to go in constantly and reclassify this cotton every month or every year in order to have it available for sale. Otherwise, the purchaser would have no way of knowing exactly the grade at that particular time.

Also, Mr. Chairman, I regret very much that the section dealing with poultry inspection was stricken from the bill on a point of order. It is my hope that the other body will restore this language and further my understanding that the members of the subcommittee will accept the provisions in conference.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

(Mr. FOUNTAIN asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. FOUNTAIN'S remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The gentleman from Minnesota [Mr. MARSHALL] is recognized.

Mr. MARSHALL. Mr. Chairman, sometimes you get to the point in debate where you get a little bit away from the subject, although I must say this debate has generated a great deal of discussion and much of it has been to the point.

I would like to read the language that has been objected to and which the amendment would strike out:

Provided further, That no part of these funds may be used to formulate or administer a program which provides for reclassifying of Commodity Credit Corporation cotton after time of sale to private individuals or organizations.

What is wrong with that language? Just what is wrong with it? It means exactly what it says, that it is sold at the time of sale and no reclassifying to permit rebate after that time. If you want to open up the door—this is the Treasury, remember—you are starting a precedent here. How can you hold the line on wheat, corn, and all the rest of the commodities the Commodity Credit Corporation holds on a basis of that kind? I could not venture to guess how much that would cost the taxpayers of this country.

I think this debate has been wholesome; I think it has been good. I admire all my friends on the committee and have as much respect for them as I ever did. It is a good committee.

Much has been said about jurisdiction. Having served on the Committee on Appropriations I must say that we are subject to criticism. There are numerous times when we on appropriations do things we know in the eyes of many people are unpopular, but we feel duty-bound, with the responsibility you have delegated, to us to watch for what we think are loopholes and those things that we think will render programs more economical and more efficient. Your Appropriations Committee, not only our subcommittee, but other subcommittees, have saved literally millions of dollars to the taxpayers of this country.

The CHAIRMAN. The gentleman from Ohio [Mr. Bow] is recognized for 2½ minutes.

(By unanimous consent Mr. Bow was allowed to yield his time to Mr. WHITTEN.)

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTEN] is recognized for 7½ minutes to close debate on this amendment.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, may I say that in the heat of debate we say lots of things, but I want to say again what some of my friends may have heard

me say frequently before: I have never tried to threaten or throw any weight around. I learned long since that not all people on the committee or subcommittee will agree with me. While our efforts have been successful many times, there have been others where we have not succeeded. I learned a long time ago not to say, "I will do so and so." I have never hesitated to say where I will stand, but I have never threatened anybody in the Department of Agriculture, I have not indicated that I would take anything out or that I would put something in; but I have said I would stand for what I think is right.

Let us see again where disagreement comes about. Most arguments come up because folks do not agree on what the facts are. Let me say again that cotton classing is an art, not a science; it is not an exact science in the least.

It is testified repeatedly before our committee that you can have the same bale of cotton classed by 10 classers, and they will differ among themselves; and you can have it reclassified a month later, the same bale, and if they did not know it, the same classers would differ again. It is a matter of judgment.

Again, we have millions of bales of cotton that are stored in warehouses. The Government pays the warehouse charges. Your big international cotton traders own much warehousing. They have the CCC cotton in these warehouses. I would recall to your minds the quotation read by my colleague from New York [Mr. SANTANGELO]. The Department testified that there is no misrepresentation in offering any of this cotton. A few years ago they had cotton which had been on hand for 7 or 8 years. Perhaps reclass was essential. However it is essential that it be listed in a catalog so all bidders can bid with full knowledge.

Let me say that all cotton is classed. The catalog shows when and what the judgment of the classer was at the time of classing. There is no misrepresentation nor any guarantee.

A man who buys cotton from CCC takes that fact into consideration when he bids.

Here is what we tried to do. I have heard everybody on the floor say, and I have done it, and our report points it out, that we have spent \$26 billion in the name of agriculture and that perhaps everybody in the world is getting something out of it, yet the farmer today is much worse off. He needs farm legislation, perhaps worse than does the Treasury.

Our committee did have an investigation made of the sale of cotton to these cotton traders after we had virtually forced competitive sales, and it was found that \$166 million was paid out in rebates to shippers. This showed up as a loss to the Commodity Credit Corporation and thus has been charged to farmers, big and little, where others got the money.

I said earlier I am not bragging about the signing of any checks. Sometimes I am ashamed that I cannot hold the expense of the Department down better than we have been able to do. Unfortunately frequently the horse is gone, when we get called in.

The trade insisted we would ruin everything if we stopped reclass after sale.

Do you know how we stopped it? We pointed out the facts to Secretary Benson and he stopped it for a year. And in that year when they reclassified all cotton, as our subcommittee recommends, they sold 6 million bales of cotton. There was no reclass, no discount. It worked very effectively and the Government received more cash.

The same group that got the \$166 million has conceived the idea now that they will not ask for a rebate, they will ask for an arrangement whereby they may pay 90 percent of the purchase price, and then adjust, based on reclass after the cotton is theirs.

I have the highest regard for the Legislative Committee. I do not appreciate some things said here today. If the question here is a matter of which committee runs the Department it is not of my making. The facts are that for years the Department has done precious little listening to us. We have differed with them, but we cannot run them.

What can be more fair than this? Everybody within the sound of my voice knows that the Commodity Credit Corporation has a tremendous investment and that the officers of the Corporation owe it to the people to get as much as they can for the commodities they have. They can get better bids if they reclass, lay it out on the counter so that everybody can bid. Do you not think we have an obligation to say if you are going to reclass this cotton, please reclass it and lay it out on the counter so that there will be some competition in the sale.

These shippers do not want equal treatment, they want an advantage. They are unwilling to let the Government lay it out on the counter at a new class. They are unwilling to bid against their competitors. In our provision we say to the Department if you want to reclass, do so, but please lay it out and have some competition in its sale, and we will not have so much depletion of the capital of the corporation under those circumstances. To refuse that appears to us to be asking an unfair advantage.

Let me say one other thing. Here is the difference between cotton, corn and wheat. In reclassing corn and wheat, when you have it reclassified and export it, the exporter has to offer in world trade at the new class. Where cotton shippers have gotten reductions through reclassing in the process they have picked up from \$14 to \$20 a bale in some instances, and they have sold in world trade at higher than the first class. These facts are clearly shown in our investigators' reports which are included in the hearings. They do not offer such CCC cotton in world trade at the new class as is required with grain.

Now, there has been much ado and argument made on jurisdiction. We do not have it so far as running the Department is concerned. This is simply a limit on the use of funds, which is within the rights of our committee, if we can sell it to the Congress. That is all it is. Somehow, I sense the outcome.

It has been said you can defeat anybody on merit, but it is difficult to defeat anyone where millions of dollars are involved.

However, strong the hopes of our colleagues on that committee may be as to what the Department will now do, if their amendment is adopted the language goes out and we will not have a thing in the world to prevent their going back to the system of rebates.

Here today we decide whether we will begin to bring some economy in the running of our agricultural program. We must, first because it is right, and because if we do not we will lose our farm program, at least in my opinion.

If the amendment is approved it will be up to the Department. The Department can do as it pleases, and again, if they do not go back to rebate but try this new system of selling and collecting 85 percent, reclassing, then giving discounts, it is tweedle-dee and tweedledum, as I see it. That is the same as rebates.

Mr. Chairman, in our bill we give them everything they said they wanted. We merely would prevent reclass after title has passed.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. All time has expired.

Mr. SANTANGELO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and seventy-five Members are present, a quorum.

The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 85, noes 65.

Mr. WHITTEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. COOLEY and Mr. WHITTEN.

The Committee again divided, and the tellers reported that there were—ayes 116, noes 67.

So the amendment was agreed to.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 31, line 23, after the word "provision", strike the period, insert a colon and the following: "Provided further, That none of the funds herein appropriated shall be used to formulate or administer any program which does not provide for maximum use of Government-owned facilities for storing surplus commodities."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. YATES. Mr. Chairman, it is not my purpose to do a vain thing. I would just as soon have a ruling on the point of order and not make a speech in the event the point of order is sustained.

Mr. WHITTEN. The gentleman showed me the amendment. I reserved the point of order so he could explain it. I ask unanimous consent that the amendment be again read.

The CHAIRMAN. Without objection, the Clerk will again read the amendment. There was no objection.

The Clerk again read the Yates amendment.

Mr. WHITTEN. I shall not press the point of order, Mr. Chairman.

Mr. YATES. I thank the gentleman.

The CHAIRMAN. The point of order is withdrawn.

Mr. YATES. Mr. Chairman, the purpose of this amendment is obvious. One of the most staggering costs of the farm program is the amount of money that is expended for storage. As was pointed out in the report of the committee, in 1959 storage and handling charges totaled \$481.7 million. For 1960 storage charges for surplus commodities are estimated at \$612 million. For the fiscal year which is the subject of this bill storage charges are expected to exceed \$700 million.

The Government itself owns facilities in which there can be stored 985 million bushels. These facilities are not being completely used. When I mentioned my amendment to a number of Members, they said, in surprise, "Aren't these facilities being used at the present time?" The answer is no. These facilities are being used only partially at the present time. They are being used to the extent of only 65 percent.

Next year storage charges are going to be increased drastically. Why should they not be kept to a minimum? Why should not the taxpayers be protected by making sure Government storage facilities will be used? There is no reason why commercial facilities should be utilized when Government space is available at a much lower cost.

May I read from the hearings at page 549 the colloquy between the gentleman from Minnesota [Mr. MARSHALL] and Mr. Berger, Administrator of the Commodity Stabilization Service. Mr. MARSHALL said:

It has also been said that it is the policy of the Department of Agriculture to automatically use newly constructed private facilities for takeover gain in preference to existing Government-owned facilities regardless of whether there was any need for that in the area or not. Are these reports correct?

Mr. BERGER. That is true.

A little later Mr. MARSHALL said, and there is a wistful quality in his voice as I read it:

It seems a little strange that the taxpayer should be called upon to pay for this storage in a newly constructed private facility when there is already plenty of space in the Government elevator.

The gentleman's amazement is understandable. Should these surplus commodities be sent to commercial warehouses when Government facilities are available? Do you know what the difference in cost is? According to the hearings of this committee and also in the report of the Fountain Subcommittee on Government Operations, it costs 5 cents plus a fraction to store the surplus commodities in a Government facility. Do you know what it costs to store them in a commercial facility? Sixteen cents-plus. The cost of storage in Govern-

ment facilities is only one-third of what it is in commercial facilities.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Illinois.

Mr. MICHEL. The language of the gentleman's amendment reads "maximum use." How would the gentleman define maximum use?

Mr. YATES. The maximum use possible.

Mr. MICHEL. Would that still be at the discretion of Commodity Credit? When one says maximum, would you expect that it would be the very last Government bin available. The last bin could be in the State of Washington, as I pointed out yesterday and the grain to be stored could be in some State like Ohio or Pennsylvania, and it would have to be shipped completely across the country.

Mr. YATES. I suggest to the gentleman that the administration's handling of the program has not been one that would give confidence. They are not administering it most efficiently and economically at the present time, but we have no alternative. We must leave it to their discretion. That is why I would say to the gentleman, that the term "maximum" means the maximum extent possible. There is discretion on the part of the corporation, but they must use the Government facilities that are available in preference to comparable commercial facilities. The term "maximum" as I construe it, means to the greatest maximum possible.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Iowa.

Mr. WOLF. I would like to point out for the information of the Members that grain in many Government bins in the State of Iowa is moving just a few miles into private storage. That was brought out recently in hearings in Iowa. I believe that is what the gentleman from Illinois anticipates.

Mr. YATES. I think one has only to look at the report of the committee to see why this amendment is so necessary. This committee made a thorough investigation of the storage situation and was shocked with much of what it found. In the course of its investigation it discovered that tremendous quantities of grains are being moved from one part of the country to another without reason. In 1955, even though storage was available in the arid-West, grain was moved to the West Coast. Why? The corporation does not want to use Government storage. I hope this amendment is agreed to.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from North Carolina.

Mr. COOLEY. I do not question the purpose of the gentleman, and I think the gentleman has a very fine purpose in mind, but I doubt very much that the program could work under the gentleman's amendment. You refer to maximum use of Government-owned facilities. Suppose you have a warehouse located in Seattle, Wash., and you have a

commodity down in Savannah, Ga. You would not want to ship the commodity from Savannah, Ga., to Seattle, Wash., because you had a warehouse there?

Mr. YATES. Of course not, Mr. Chairman. But, I want to point out that is exactly what the administration has been doing much too frequently. That is the reason for my amendment, to eliminate wastefulness.

Secondly next year will bring an enormous increase in storage charges.

There will be a tremendous corn crop. There will be great quantities of other products to store. The cost will exceed \$700 million. Certainly every effort should be made to reduce costs wherever possible. This can be done through maximum use of Government facilities. I see no reason why they all cannot be used during the next year.

Mr. COOLEY. Could you not improve your amendment by putting in the words "comparable Government facilities and at comparable cost"?

Mr. YATES. It is my intention that my amendment be reasonably applied and reasonably administered. Where the corporation has a reasonable choice between Government and commercial facilities, it should obviously select the Government facilities. My amendment was originally drafted in the form suggested by the gentleman, but it would have been subject to a point of order. That is why I changed it to the language I used.

Mr. COOLEY. Of course, I would much prefer to use Government facilities wherever it is feasible and economical to do so.

Mr. YATES. Everybody agrees with us on this point. The committee itself says so in its report. The purpose of my amendment is to make sure that the recommendations of the committee are carried out by putting in the bill that which is contained in the report.

Mr. COOLEY. In other words, if a private warehouse is available and a Government warehouse is available in the same locality, then you suggest that the Government warehouse be used.

Mr. YATES. I do, indeed. That is the purpose of my amendment to make sure that the program is operated as efficiently and as economically as possible. The use of Government facilities will reduce storage costs by millions of dollars.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JONES of Missouri. I am in accord with what the gentleman is trying to do, but I think you have possibly overlooked something. You have used the words "no funds appropriated shall be used to formulate or administer any program." I am for the prohibition as to the formulation of a program hereafter, but I think it might run into some trouble when you use the words "administer any program," as the chairman pointed out, where you already have a program. In other words, if the word "administer" is included, then I am afraid you might get into trouble.

Mr. YATES. May I suggest to the gentleman that this is an appropriation

bill for the fiscal year beginning on July 1, 1960. It applies only to expenditures in that fiscal year. It is only for 1 year.

Mr. JONES of Missouri. But you are administering a program which is already in effect which will be carried over until that year, and that is where I am afraid you are going to get into trouble.

Mr. YATES. Insofar as the operation of my amendment is concerned, it would only be applicable for the next fiscal year. I think it should be in the permanent law, and I suggest your committee might want to draft a bill to make it permanent law. It is most desirable.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JUDD. Just for the purpose of adding something to the legislative history on this matter, let me pose another illustration. Suppose there are two storage facilities in the same neighborhood and some grain or commodities are moved out of the Government-owned facility so that it is empty.

Do you think that under your amendment the Administrator of this program ought to move surplus commodities out of privately owned warehouses into Government-owned warehouses in order to get maximum use of the Government-owned warehouses?

Mr. YATES. If it saves the Government money I think it would be a desirable thing to do.

Mr. JUDD. So it would depend upon the situation; if it would save money or be advantageous to the Government, it should be done?

Mr. YATES. If it saves the Government money it should be done.

Mr. JUDD. I am glad to have a statement of the gentleman's intention.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. YATES] has expired.

(Mr. YATES asked and was given permission to revise and extend his remarks.)

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am very pleased to support this amendment offered by the gentleman from Illinois [Mr. YATES].

As I calculated, this will save the taxpayers a great deal of money in storage charges; it will save, even at the reduced rates, \$30 million.

The potential storing capacity of the Commodity Credit Corporation today is 985 million bushels of grain. We are storing today in Government-owned bins and facilities operated by the Commodity Credit Corporation, about 600,030,000 bushels of grain. We are 32 percent under its capacity use. As you know, proper management requires a warehouseman to leave about 10 percent free for air conditioning of the grain. So it leaves 22 percent differential between capacity and what we are using. We can store in Government-owned warehouses 285 million additional bushels of grain. It costs the Government 6½ cents a bushel per year as opposed to 16½ cents a bushel in private warehouses.

The chairman of the subcommittee which went out to Des Moines, Iowa, Mr. SMITH held an investigation that disclosed that the Government policy was to take grain out of Government bins and put it into private-owned warehouses, even though there was available space, in Government bins, only for the sake of transferring it, at a cost of 3½ cents a bushel in transferring it. It is this administration's policy to take grain out of Government bins and put it into commercial warehouses. It has cost \$612 million to the taxpayers in 1960, and it will cost \$700 million in 1961. In addition to that, the Government is refusing to use the mothball fleet which we have throughout the United States. We have ships which have been turned over by the Maritime Service in the James River in Virginia, in the Astoria River in Washington and also in the Hudson River in New York. The Government has taken out grain from 30 ships, a total of over 10 million bushels of wheat. They have 86 ships which are now being used for the storage of wheat. They have 86 ships which are completely vacant. We can store 22 million bushels of wheat in those particular ships at practically no cost, to the Government and yet the Department of Agriculture is disinclined or very reluctant to use those storage facilities which the Government has, which would cost the people of the United States very little money. The Department is dedicated to the proposition that storage must go into private warehouses. I say it is time we stopped this staggering cost of warehousing costs so that we can give some relief to the taxpayers of the United States.

I hope this amendment will prevail.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the objections raised are rather sound. I discussed with the author of the amendment the suggested language that I think would make it in line with the committee report. We had not put it in the bill. Personally, if the gentleman were to consent to add to his amendment the words "consistent with the economical operation of the corporation," I, individually, would have no objection.

Mr. YATES. I am willing to accept such a modification, and I ask unanimous consent that the words suggested by the gentleman from Mississippi be added to my amendment.

The CHAIRMAN. The Clerk will report the modification referred to.

The Clerk read as follows:

Strike out the period, substitute a colon and add: "Consistent with the economical operation of the corporation".

Mr. HORAN. Mr. Chairman, may we have the entire amendment read?

The CHAIRMAN. Without objection, the Clerk will read the modified amendment.

There was no objection.

The Clerk read as follows:

Page 31, line 23, after the word "provision", strike the period, insert a colon and the following: "Provided further, That none of the funds herein appropriated shall be used to formulate or administer any program

which does not provide for maximum use of Government-owned facilities for storing surplus commodities, consistent with the economical operation of the corporation."

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HORAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to point out something I think the Committee should take into consideration at this time. First of all, if we start watering down this amendment it will mean nothing. There is nothing to prohibit the Commodity Credit Corporation today from using Government storage where it is available.

Let me point out another thing: Today we have oldtime operators and co-operators who know what they are doing and are doing it at the minimum charges. They pay taxes, both income and property, in their communities; your Government bins and warehouses do not. When it comes to figuring out how much you are going to save you must take into consideration the income and property taxes the warehouseman pays, both the grain warehouseman and cotton warehouseman. I think that is a very, very important factor. It is obvious that if you have empty bins and they are being wasted that should not be, but I am told by those in the corn business that we are going to need all of the bins that exist in another year unless we have legislation out of this Congress that will correct some of the things wrong today with our farm program, and I do not think you are going to waste this Government storage. But you might be making a very, very big mistake if you put the Government bins ahead of income and property tax paying Americans.

I think one further observation very much in point is that there is no guarantee—

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. MICHEL. I think there is one further observation the gentleman could very well make and that is that the Government does not assume the obligation the private warehouseman assumes in the matter of guaranteeing like kind and quality of the grain he delivers. When grain deteriorates in Government-owned bins it is a direct loss to the taxpayer. If grain deteriorates in the hands of a private warehouseman he suffers the loss. Only recently one of the grain elevators in my district paid \$40,000 to CCC for deterioration of grain in its keeping.

Mr. HORAN. And if I might go further, we have no guarantee that the bureaucrat operating a Government warehouse is as smart as the man who has been all his life in the grain business or the cotton business and knows what is involved in storage.

I think if you water this amendment down a little bit further so it means nothing, I might be able to vote for it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. YATES. I would say to the gentleman that the adding of those words was not done with the intent of watering down the amendment.

Mr. HORAN. Then I am violently opposed to it.

Mr. YATES. Its one purpose is to add a certain amount of discretion to the administration so that it is not strait-jacketed by the terms used. This is a program that requires some flexibility and that is the only purpose in adding the words that were added. It is the intention of the amendment to have Government utilities used to the greatest extent possible.

Mr. HORAN. I have been around here long enough to know that this House can act foolishly sometimes. I hope the amendment will be defeated.

Mr. SMITH of Iowa. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I would like to point out that if we do not adopt this amendment, we can expect the Department to continue the policy of preferring warehouses that are not yet built. The policy of the Department of Agriculture at this very minute is to prefer warehouses that are not yet built today over empty Government bins that are in the country today.

Mr. HORAN. Where is there any prohibition against the use of the empty bins?

Mr. SMITH of Iowa. There is no prohibition, but the policy of the Department is it will not use the Government warehouses.

Mr. HORAN. But there is no prohibition against using them, is there?

Mr. SMITH of Iowa. The very purpose of the amendment is to get them to use Government-owned space and discontinue the inflexible policy of encouraging overexpansion in areas where it is not needed.

Mr. YATES. I agree with the gentleman entirely. Because of the statement of the gentleman from Washington as to what the attitude of the Department of Agriculture is it is necessary to have an amendment of this type to show what the congressional intention is, namely, that Government-owned facilities shall be used to the fullest extent possible.

Mr. SMITH of Iowa. If we do not have this amendment adopted there will be no alternative for many elevator operators but to expand capacity beyond reasonable future needs in many communities where it is not needed. The legitimate elevator operator with adequate storage must build additional warehouse space if a fly-by-night competitor comes along and decides to build. He has to protect his own business and build additional warehouse space in order to minimize the cutthroat competition that will in future result from an operator with a warehouse paid for by the Government. The policy is to use those warehouses in preference to the empty Government bins as long as anybody has warehouse space vacant, even where the warehouse space in the community greatly exceeds the space re-

sonably needed in the future in the regular grain merchandising business.

I want to point out when you use the argument of preparing warehouses in that because they pay local property taxes you are in favor of Federal aid to education because, after all, it is the local property tax that goes for education. I am not saying that it is a bad thing to have Federal aid to education, but I want to point out to those who oppose Federal aid to education that when they use the tax excuse they are favoring Federal aid to education.

May I also point out that the operators who are operating the Government storage program have had a good experience in handling grain and they have shown, as a matter of fact, that they can operate warehouse facilities with less loss than most of the warehousemen in the business. Do not be misled by the argument previously made that the technicians do not know how to handle Government grain. The actual deterioration is less for them than it has been for most of the operators. I was acting as chairman of a subcommittee which last December secured evidence and testimony showing that the policy of the Department had gone so far as to provide for emptying Government bins to fill new warehouse storage that was not even built by a regular elevator operator.

There seems no question that additional storage will be needed this fall. Unless the policy is changed, additional grain will be placed in new warehouses which reluctant warehousemen were forced to build to protect themselves against a fly-by-night operator and the result would be bad for both the taxpayers and the legitimate warehouse operator. This amendment will help assure the use of 300 million bushels of empty Government space during the next year when the additional space is needed in addition to existing warehouse space. The amendment will, of course, only be effective for a 1-year period.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. I would like to point out to the gentleman that this policy of the Department of Agriculture and the Commodity Credit Corporation of preferring private facilities over Government-owned facilities is just another expression of the policy of the Bureau of the Budget as enunciated in its bulletin last year, about which I complained in the Congress in debate on the defense bill. The Budget has directed these agencies to prefer private facilities to Government-owned facilities. That applies to agriculture as well as defense.

I am heartily in support of the amendment offered by the gentleman from Illinois.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I say that the amendment the gentleman offered is to

a great degree in line with the committee report. I also agree with the point made by my colleagues on the committee on the Republican side. We want to be sure the language carries out the intent of Congress, and that it will not result in increased costs or needless harm to private industry.

I therefore felt I could not oppose the amendment because it is in line with what we wrote in the report, and I just want to reassure my colleagues that in conference we will try to modify the language, if necessary, to carry out the views of the subcommittee.

The Clerk read as follows:

SEC. 408. No part of the funds appropriated by this Act shall be used to pay the compensation of any employee or officer of the Department, except the Secretary of Agriculture, who, in addition to other regularly assigned responsibilities, serves as a member of the Board of Directors or as an officer of the Commodity Credit Corporation after February 1, 1961.

Mr. BROWN of Georgia. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Georgia. Mr. Chairman, section 408 provides that none of the funds appropriated by H.R. 12117, making appropriations for the Department of Agriculture and Farm Credit Administration, shall be used to pay the salary of any officer or employee of the Department—except the Secretary—who serves as a member of the Board of Directors of CCC, or as an officer of CCC, in addition to other regular duties with the Department.

This reverses a decision made by the Banking and Currency Committee and the Congress in 1949, when the CCC Charter Act was amended to strike out a similar restriction which had been enacted in 1948. It is, therefore, legislation, and the mere fact it is put in the form of a limitation on the use of funds appropriated by the bill does not save it. As paragraph 1691, volume 7, of Cannon's Precedents of the House of Representatives puts it:

The purpose rather than the form of a proposed limitation is the proper criterion by which its admissibility should be judged, and if its purpose appears to be a restriction of executive discretion to a degree that may be fairly termed a change of policy rather than a matter of administrative detail it is not in order.

Again in paragraph 1606 of the same volume, the following is found:

Whenever a purported limitation makes unlawful that which before was lawful or makes lawful that which before was unlawful it changes existing law and is not in order on an appropriation bill.

A proper limitation is negative and in the nature of a veto, and when it assumes affirmative form by direction to an executive in the discharge of his duties under existing law it ceases to be a limitation and becomes legislation.

Section 408 in effect requires the Secretary to take affirmative action. To carry out the farm programs financed by CCC, the Secretary would have to appoint new Board members, recruited from private life, to replace the six Department officers other than himself who now serve on the Board. He would also

have to recruit and appoint new personnel to serve as officers of the Corporation. This not only means the section constitutes legislation, but also means it is not entitled to the protection of the Holman rule, because it would not save the Government money. On the contrary, it would require hiring new employees at additional expense to the Government.

The CHAIRMAN. Does the gentleman from Mississippi [Mr. WHITTEN] desire to be heard on the point of order?

Mr. WHITTEN. Mr. Chairman, the section clearly provides a limitation on the use of funds that are appropriated in this bill. It does not change the Commodity Credit Corporation charter. It does not change any basic law. It just simply limits what the money in this bill can be used for. It has been my experience and observation during the years here that the Chair has many times said that it is a negative limitation on the use of money and that it is clearly in order, and on that I rest the committee's position.

The CHAIRMAN (Mr. KILDAY). The Chair is prepared to rule.

The gentleman from Georgia [Mr. BROWN] makes a point of order against the language in section 408 of the bill on the ground that it constitutes legislation on an appropriation bill.

The Chair has had an opportunity to examine the precedents in this connection, including the precedents to which the gentleman from Georgia has referred and from which he has read. The Chair would also refer to paragraph 1694 of Cannon's Precedents, volume 7 the language being:

While a limitation may not involve change of existing law or affirmatively restrict executive direction, it may properly effect a change of administrative policy and still be in order.

The Chair has examined additional precedents bearing on this question. The Chair is constrained to hold that section 408 is a restriction on a manner in which the funds can be used, and constitutes a negative limitation, and, therefore, overrules the point of order.

Mr. BROWN of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Georgia: On page 34, line 8 through line 14, strike out section 408.

Mr. BROWN of Georgia. Mr. Chairman, section 408 of the bill would reverse a decision made by the Congress and the House Banking and Currency Committee in 1949. At that time, after a year's experience with a provision of law that required that two of the members of the CCC Board be outside members; that is, not officers or employees of the Government; the Congress repealed this restriction. Instead, the Congress in 1949 restored to the Secretary of Agriculture the power to appoint the members of the Board, and to appoint officers and employees of the Department as Board members. This practice was followed for years, until 1948, when the requirement for two outside members of the Board was written into the law. Less than 1 year later, after experience had

proved that the provision was no workable, the experiment was abandoned.

I regret that the Appropriations Committee has undertaken to rewrite the law in this manner. This is a matter within the jurisdiction of the legislative committee, the Banking and Currency Committee. It is a matter that the Banking and Currency Committee has fully considered in acting on the law as it exists today.

The amendment will not save money; on the contrary, it will require the Secretary of Agriculture to go out and hire new people to run the Corporation. It will result in conflicts and confusion between the Corporation and the Department. It did not work when it was tried before, and I am convinced it will not work now.

Furthermore, this provision would, on the basis of past experience, cause a major and costly reorganization within the Department of Agriculture. It would not only result in no improvement in operations, but would result in division of responsibility, duplication of effort, overlapping of authorities, inability to obtain informed consideration of major policy matters, and confusion in field operations affecting almost every segment of commercial trade relating to agricultural commodities. It would make the CCC subject to more and more pressure for actions to the special benefit of individual groups.

The CCC is a facility of the Department of Agriculture created for the specific purpose of providing a workable mechanism for carrying out price support programs as directed by Congress. Whatever the provisions of statutes governing price support, this mechanism must be left in a workable condition. It will not function in a vacuum, and it must operate in concert with the other major activities of the Department. Section 408 should be eliminated from the bill.

Mr. McDONOUGH. Mr. Chairman, I rise in support of the amendment.

Section 408 of Department of Agriculture appropriation bill, 1961, provides as follows:

SEC. 408. No part of the funds appropriated by this Act shall be used to pay the compensation of any employee or officer of the Department, except the Secretary of Agriculture, who, in addition to other regularly assigned responsibilities, serves as a member of the Board of Directors or as an officer of the Commodity Credit Corporation after February 1, 1961.

This provision, if enacted into law, would nullify the deliberate action of Congress in amending the Commodity Credit Corporation Charter Act in 1949 to permit members of the Board of Directors of the Commodity Credit Corporation to be otherwise employed in Department of Agriculture and to permit the staff of executive officers of the Corporation to have duties not only in connection with Commodity Credit Corporation but also in connection with related operations of the Department.

The Charter Act as originally enacted on June 29, 1948, provided in section 9 that:

Employees of the Corporation or any department or agency of the Federal Govern-

ment, if also directors, shall not comprise, in the aggregate, more than three of the members of the Board.

It also provided in section 10 that:

Responsibility for the day-to-day conduct of the business of the Corporation shall be vested in a staff of executive officers, headed by a chief executive appointed by the Board and responsible to the Board. Members of the executive staff shall devote their full time to the affairs of the Corporation.

In 1949 the Secretary of Agriculture recommended that the restrictions of sections 9 and 10 of the charter quoted above be eliminated. In his letter of March 9, 1949, to Senator Thomas, chairman of the Senate Committee on Agriculture and Forestry, the Secretary stated, in part, as follows:

The changes involving the authority of the Secretary of Agriculture and the internal organization of the Department which are proposed in S. 900 will make it possible for the Secretary to discharge effectively his responsibility for the formulation and administration of the agricultural programs of the Federal Government and to coordinate and integrate all the activities of the Department.

The Secretary of Agriculture recommended, among other things, that section 9 of the charter be amended so that the Board members could hold other offices or positions in the Department and could be given other duties by the Secretary of Agriculture and that section 10 be amended to remove the requirement for an executive staff which would be prohibited from performing duties other than those concerned directly with the Corporation.

Full hearings on the Secretary's recommendations were held before the House Committee on Banking and Currency and the Senate Committee on Agriculture and Forestry. As a result an amendment to the Commodity Credit Corporation Charter Act was enacted on June 7, 1949, which carried into effect the recommendations made by the Secretary of Agriculture.

Section 9 of the CCC Charter Act, as amended, specifically provides that:

In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1949, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section.

In order to give the Secretary the benefit of the appraisal of the Corporation's policies by a group of outside individuals, section 9 was also amended to provide for an advisory board "reflecting broad agricultural and business experience in its membership."

Section 10 was amended to eliminate the requirement that the Corporation's business be conducted by executive officers required to devote their full time to the affairs of the Corporation. As

amended section 10 provides, in part, that:

The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties.

It is apparent, therefore, that section 408 of the Department of Agriculture appropriation bill, 1961, would nullify the existing legislation with respect to the management of the Corporation and would impose the very requirements which Congress deliberately sought to eliminate from the Commodity Credit Corporation Charter Act by the amendments made therein in 1949.

Denying payment to Department officials who may now serve in dual capacity on the Commodity Credit Board would eliminate the services on the Board of top officials in the Department of Agriculture, except for the Secretary, as now provided in the charter of the Commodity Credit Corporation.

The Commodity Credit Corporation Board is composed of the following: Secretary of Agriculture, Chairman; Under Secretary of Agriculture, President; Assistant Secretary—Agricultural Stabilization; Assistant Secretary—Marketing and Foreign Agriculture; Assistant Secretary—Federal States Relations; Administrator, Agricultural Marketing Service; and General Counsel of Department of Agriculture.

If section 408 remains in the appropriation act, all these officials, except the Secretary, could not serve after February 1, 1961.

The proposed new section 408 would also eliminate as an officer of the Commodity Credit Corporation those who also hold other offices within the Department of Agriculture. This will eliminate the use of such men as officers as Under Secretary of Agriculture as President; Administrator of Commodity Stabilization Service as Executive Vice President; Associate Administrator, Commodity Stabilization Service, Vice President; Deputy Administrator, Price Support, Commodity Stabilization Service, Vice President; Deputy Administrator, Operations, Commodity Stabilization Service, Vice President; Deputy Administrator, Production Adjustment, Commodity Stabilization Service, Vice President; General Sales Manager, Commodity Stabilization Service, Vice President; Executive Assistant to the Administrator, Commodity Stabilization Service, Secretary; Director, Fiscal Division, Commodity Stabilization Service, Controller; Deputy Director, Fiscal Division, Commodity Stabilization Service, Treasurer; Deputy Director, Fiscal Division, Commodity Stabilization Service, Chief Accountant.

All the Board members and offices of the Corporation receive only one salary, that is, the salary of the position which they hold as an employee of the U.S. Department of Agriculture.

The history of the present Commodity Credit Corporation Charter Act, as amended, does not contemplate such arrangement as section 408 would impose.

If only part-time Board members, from outside the Department of Agriculture, are used in these capacities, such

serious difficulties as the following would be encountered:

They would be unfamiliar with much of the operations involved; there would be delays in Board actions, which at times are required on relatively short notice; there would be added salary, travel, staff and other costs.

If full-time Board members and officers who have no other functions within the Department are required there will be created another echelon of highly paid Government employees.

There would be two major areas of operations and responsibilities, to a large extent duplicating, within the Department of Agriculture: Secretary of Agriculture and Commodity Credit Corporation Board and its officers. Major conflicts and confusion may result.

I urge the adoption of the amendment offered by Mr. BROWN of Georgia to repeal section 408 of this bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield to the gentleman from Texas.

Mr. PATMAN. I just want to state that I am in accord with the views expressed by the gentleman as well as the views expressed by the gentleman from Georgia [Mr. BROWN]. I hope this amendment is adopted.

Mr. McDONOUGH. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield to the gentleman from Mississippi.

Mr. WHITTEN. The statement is made that none of the funds for the Department of Agriculture can be paid to these men. These gentlemen are paid now from funds of the Department of Agriculture.

Mr. McDONOUGH. They are paid—that is their regular salary.

Mr. WHITTEN. This provision says that the funds of the Department can no longer be paid to an official who runs the corporation. The corporation officer would be paid from the corporation's funds if this became effective.

Mr. McDONOUGH. Mr. Chairman, I urge the adoption of the amendment to repeal section 408.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word and rise in support of the amendment offered by the gentleman from Georgia.

Mr. Chairman, this is obviously another effort on the part of this subcommittee on agricultural appropriations to take over the Department of Agriculture and to defeat the intent and purpose of Congress in the passage of laws which are now in operation.

In the opening section of the act of 1949, on basic agricultural commodities, the Congress said this:

The Secretary of Agriculture is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows.

Again under a title, "Designated Non-basic Agricultural Commodities," the Congress said this:

The Secretary is authorized and directed to make available * * * price support to producers for tung nuts, honey, milk, butterfat, and the products of milk and butterfat as follows.

Under another title, "Other Nonbasic Agricultural Commodities," the Congress said:

The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II.

In the Agricultural Act of 1954 the Congress said, in title I, "Set Aside of Agricultural Commodities":

The Commodity Credit Corporation shall as rapidly as the Secretary of Agriculture shall determine to be practicable, set aside within its inventories not more than the following maximum quantities and not less than the following minimum quantities of agricultural commodities.

Then in title VII, "National Wool Act of 1954," Congress said in section 703:

The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair.

So it is clear to see that Congress has charged the Secretary of Agriculture with certain responsibilities and by the acts of Congress, he is required to exercise these authorities and responsibilities through the Commodity Credit Corporation. Section 401 of the act of 1949 says:

The Secretary shall provide price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

We have directed him to use the Commodity Credit Corporation as an instrumentality and agency through which he will administer these programs which are now in operation. Why should we now divorce the Secretary of Agriculture from the Board of the Commodity Credit Corporation? In other words, in effect, you would have two Secretaries of Agriculture—one would be Mr. Benson and the other would be some outsider who might be brought in by the CCC Board as president of the Corporation and be charged with these responsibilities which the Congress has vested in the Secretary of Agriculture. It seems to me there is no getting around it that this, in effect, is an insult—an insult to the Secretary of Agriculture. Now not that I mind him being insulted, but I do not want him to be insulted on this occasion.

I say in all seriousness this amendment would increase the cost of the farm program. All members of the Board of Directors of the Commodity Credit Corporation serve without pay. They are appointed by the President by and with the advice and consent of the Senate. Nothing that I am aware of has developed that would indicate that any of the Board members now in office are corrupt individuals or that their jobs could be performed any better by persons outside the Department of Agriculture having no responsibility for the working of farm programs.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McDONOUGH. Is this an invasion of the authority of the Committee on Banking and Currency?

Mr. COOLEY. Certainly it is. That is the committee that is responsible for the creation and financing of the Commodity Credit Corporation, through which agency all of these programs operate.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. DIXON. Under the arrangement in this bill, the Secretary would be held responsible for the Commodity Credit Corporation?

Mr. COOLEY. He would have no control over the members of the Board.

Mr. DIXON. So where would you place the responsibility in a situation like that?

Mr. COOLEY. That is what I say. I hope the Brown amendment will be adopted. I hope the Commodity Credit Corporation will continue to operate in the future as it has in the past.

Section 408 of this bill, if enacted into law, would nullify the deliberate action of Congress in amending the Commodity Credit Corporation Charter Act in 1949 to permit members of the Board of Directors of the Commodity Credit Corporation to be otherwise employed in Department of Agriculture and to permit the staff of executive officers of the Corporation to have duties not only in connection with Commodity Credit Corporation but also in connection with related operations of the Department.

The Charter Act, as originally enacted on June 29, 1948, provided in section 9 that:

Employees of the Corporation or any department or agency of the Federal Government, if also directors, shall not comprise, in the aggregate, more than three of the members of the Board.

It also provided in section 10 that:

Responsibility for the day-to-day conduct of the business of the Corporation shall be vested in a staff of executive officers, headed by a chief executive appointed by the Board and responsible to the Board. Members of the executive staff shall devote their full time to the affairs of the Corporation.

In 1949 the Secretary of Agriculture recommended that the restrictions of sections 9 and 10 of the charter quoted above be eliminated. In his letter of March 9, 1949, to Senator Thomas, Chairman of the Senate Committee on Agriculture and Forestry, the Secretary stated, in part, as follows:

The changes involving the authority of the Secretary of Agriculture and the internal organization of the Department which are proposed in S. 900 will make it possible for the Secretary to discharge effectively his responsibility for the formulation and administration of the agricultural programs of the Federal Government and to coordinate and integrate all the activities of the Department.

The Secretary of Agriculture recommended, among other things, that section 9 of the charter be amended so

that the Board members could hold other offices or positions in the Department and could be given other duties by the Secretary of Agriculture and that section 10 be amended to remove the requirement for an executive staff which would be prohibited from performing duties other than those concerned directly with the Corporation.

Full hearings on the Secretary's recommendations were held before the House Committee on Banking and Currency and the Senate Committee on Agriculture and Forestry. As a result an amendment to the Commodity Credit Corporation Charter Act was enacted on June 7, 1949, which carried into effect the recommendations made by the Secretary of Agriculture.

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In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1949, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section.

In order to give the Secretary the benefit of the appraisal of the Corporation's policies by a group of outside individuals, section 9 was also amended to provide for an advisory board "reflecting broad agricultural and business experience in its membership."

Section 10 was amended to eliminate the requirement that the Corporation's business be conducted by executive officers required to devote their full time to the affair of the Corporation. As amended section 10 provides, in part, that:

The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties.

It is apparent, therefore that section 408 of the Department of Agriculture appropriation bill, 1961, would nullify the existing legislation with respect to the management of the Corporation and would impose the very requirements which Congress deliberately sought to eliminate from the Commodity Credit Corporation Charter Act by the amendments made therein in 1949.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. HOEVEN. Mr. Chairman, I rise in support of the Brown amendment which would strike section 408. It should be apparent to everyone that if this provision remains in the bill it will mean duplication of effort, more cost to the taxpayers, and more confusion.

The history of the present Commodity Credit Corporation Act, as amended, certainly does not contemplate such an arrangement as section 408 would impose. You would have only part-time Board members. They would likely be from all over the country. They would be paid

a per diem and expenses for flying back and forth between their homes and Washington. Sometimes immediate decisions have to be made by the Commodity Credit Corporation Board, and waiting for Board members to arrive in Washington might prove very costly when important decisions have to be made without delay. These outside Board members would not be familiar with much of the operations involved and great confusion might result.

To those of you interested in economy in government, may I point out that there would be added salaries, travel, staff, and other costs. As presently constituted, the Commodity Credit Board costs the taxpayers no additional money. They are employees in the Department of Agriculture on regular salaries. They receive no additional compensation. It looks like utter folly to go back to a system repudiated by Charles Brannan when he was Secretary of Agriculture. There would be two major areas of operations and responsibilities duplicated within the Department of Agriculture. You would have a Secretary of Agriculture under section 408 who would be the president of the Board. Then on the outside, looking in, you would have a new Commodity Credit Board and its officers. This can only result in a lot of conflict and confusion. Certainly it would not be for the best interests of agriculture. Anyone who wants to be fair must admit that the affairs of the Commodity Credit Corporation belong in the Department of Agriculture. The Secretary of Agriculture, as head of the Commodity Credit Corporation, is responsible. He should have the Board available at all times within the Department, so that the Commodity Credit Board can function as the Congress intended when the basic law was enacted.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. MULTER] is recognized for 3 minutes.

(By unanimous consent Mr. POAGE yielded his time to Mr. MULTER.)

The CHAIRMAN. The gentleman from New York is recognized for 6 minutes.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, I rise at this time to reassert an argument I made on this floor in the 81st Congress, in April 1949, on the identical subject. At that time, too, there was an attempt to bypass the Banking and Currency Committee which has jurisdiction by the rules of the House over the Commodity Credit Corporation and the basic legislation under which it operates. At that time, too, there was an attempt to take the powers vested in the Commodity

Credit Corporation by its charter, away from the Department of Agriculture.

Mr. Chairman, it is no secret that I have been less than charitable in some of the remarks I have made about the present gentleman who occupies the high office of Secretary of Agriculture, not that I do not like the gentleman, but I did not like and I do not like many of the things he does in connection with the operation of that important office; and I am sure I will have occasion again to find fault with some of the things he does as Secretary of Agriculture. However, I am now speaking, not in favor of the Secretary of Agriculture, I am speaking in favor of the orderly process of legislation and in favor of the orderly process of Government. If you want responsible executive agencies then your legislative committees must bring to you the legislation which empowers the Executive to act. The Executive should act in accordance with that legislation and be responsible to the Congress accordingly.

If the Brown amendment prevails then we will have orderly process of legislation and we will have orderly government in operation. The Appropriations Committee has sought by section 408 in this bill to take away from the Commodity Credit Corporation the very things given to it by the charter of the Commodity Credit Corporation—and, mind you, this is not the time to argue whether we want the Commodity Credit Corporation—I can agree with some that we can improve its operation and I can agree with others that we may be able to dispense with it entirely—but since we have it let us legislate for it properly and not through the Appropriations Committee or through an appropriation bill.

It has already been said to you that unless the Brown amendment prevails you are going to get duality of government, you are going to get outsiders who are not in the Department of Agriculture trying to run the agricultural program. I think it is a tough enough job for the Agriculture Department to do that without the outsider who is not responsible to the Congress trying to do it. Section 408 will not only dissipate the control that should be vested in the Department of Agriculture, but in addition to that it also will make it extremely costly.

The history of the present Commodity Credit Corporation Charter Act does not contemplate any such arrangement as section 408 contemplates and intends to put into operation and which will go into operation unless the Brown amendment prevails.

If only part-time Board members from outside the Department of Agriculture are used in these capacities then we will encounter serious difficulties, caused by persons who are unfamiliar with the required operations. There would be delays in Board action which at times are required to be done on relatively short notice. There would be additional salaries, travel, staff, and also additional incidental expenses and other unnecessary costs.

One of the main faults I found with the operation of the Commodity Credit

Corporation was that there is too much waste there now. Let us not as legislators indicate our approval of any more waste. Let us try to make the operation as economical as possible. If full-time Board members and officers who have no other functions within the Department are required, then by the section of the bill, now sought to be eliminated, there will be created another echelon of highly paid Government employees. If you are going to get the job done it has to be done by paid employees. But let us not have two sets of them. One is enough. The job should be done by the Commodity Credit Corporation. There will be two major areas of operation and of responsibilities, to a large extent duplicated within the Department of Agriculture unless the Brown amendment prevails.

I think it is quite sufficient to say that the Committee on Agriculture rightfully complains that its jurisdiction is being invaded. It is quite enough that the Banking and Currency Committee urges that its jurisdiction is being invaded. But beyond those two good reasons for taking out section 408 there are all the other very valid reasons I have stated for concentrating control and power where it belongs and eliminating waste and saving expense. I urge that the Brown amendment be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Hiestand].

(Mr. Hiestand asked and was given permission to revise and extend his remarks.)

Mr. Hiestand. Mr. Chairman, here we have a matter of organization. I very much dislike to disagree with my good friend, the chairman of the Subcommittee on Appropriations, and I appreciate the work that the Committee on Appropriations has done. I have been voting with them and backing them up 100 percent of the time. But here, Mr. Chairman, comes a case where we are going to be involved in more money instead of saving money, and there I feel constrained to support the gentleman from North Carolina, the chairman of the Committee on Agriculture.

The Commodity Credit Corporation was organized under Banking and Currency because of its large loan necessity. It was felt at that time that the general control should have been under Banking and Currency, and it is still. I believe the point of order should have been sustained because this not only limits an appropriation but it also changes the effect of the legislation. It divorces the responsibility from agriculture where it should be. The Corporation's activities are not an end in themselves, but a means of implementing farm programs. I think that is very important.

The Department of Agriculture has to operate the Commodity Stabilization Service, it has the responsibility for acreage allotments, market quotas, the Wool Act, the Sugar Act, and other departmental activities which are closely related to the price support program. If you take away the responsibility of that,

they have no authority over a farm program whatsoever.

Conceivably there will be many executive decisions made by the top Agriculture Department officials which, if this amendment is left in the bill, could then be vetoed by another Bureau. We would be setting up a new and a different Bureau and, Mr. Chairman, I am opposed to that. These executive decisions must be implemented. They must be implemented by people who have the authority to implement them. If we take away that authority, we are weakening the whole program. I do not defend everything about the program, but certainly those in charge should have the power to administer it.

Again, Mr. Chairman, let me reiterate that this was tried and it failed. Congress reversed itself. I hope that the amendment to kill this section 408 is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Marshall].

Mr. Marshall. Mr. Chairman, this language was put in by the Committee on Appropriations for many of the very reasons that the people are saying it ought to be taken out for now. We put it in because we felt that a corporation of this size ought to have people who were working full time taking care of the assets of that corporation. These people who are members of the board now are people who are full-time employees of the Department of Agriculture. Those people have their hands full working with the activities of the Department of Agriculture.

Furthermore, they are very often placed under pressures which interfere with the operations of the Department of Agriculture. Many times they are called out of town to make decisions. There have been times that the Commodity Credit Corporation board has been in difficulty meeting to make decisions because these people have been out of town. We thought from the standpoint of good administration and good sound administration and saving the assets of the corporation, that it was time that some attention was paid to those things. It was not our purpose to take any slap at anybody. Why would we do that? We work with the people of the Department of Agriculture, and we have repeatedly said that those people are dedicated people. We have repeatedly said that they are fine people.

Mr. Wier. Mr. Chairman, will the gentleman yield?

Mr. Marshall. I yield to the gentleman from Minnesota.

Mr. Wier. Did your committee find any evidence that the employees that constitute this board of directors of the Commodity Credit Corporation were being imposed upon working for Mr. Benson and would be in an unfavorable position to disagree with the Secretary of Agriculture, or would there be a tendency to go along with their boss?

Mr. Marshall. Certainly, where you have a man who is the head of the department, a policy department, it would be expected that that man would

have an influence over anybody who was working in the department. We have heard some testimony that that might not be the most wholesome thing. The pages of our hearings are filled with places where there has been poor judgment used. We do not say that anybody is to blame for making some of those decisions. But, a number of those top people in the department who are working with those things have other things to do. They have \$9 billion worth of commodities on their shelves.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. Dixon].

Mr. McDonough. Mr. Chairman, will the gentleman yield?

Mr. Dixon. I yield to the gentleman.

Mr. McDonough. The charter of the Commodity Credit Corporation provides that it shall consist of six members in addition to the Secretary who shall be appointed by the President with the advice and consent of the Senate. These people are not picked by the Secretary of Agriculture. They are appointed by the President of the United States with the advice and consent of the Senate, and, therefore, they should be devoted to the task to which they are appointed.

Mr. Dixon. Mr. Chairman, in summary I support the Brown amendment which would eliminate section 408 for reasons as follows:

First, it would place the CCC Board outside of the Department of Agriculture.

Second, that violates the first principle of all effective administration, which is unity of command. You cannot place responsibility on either the Board or the Secretary if you do this.

Third, a somewhat similar arrangement was made under Secretary Brannan. He came to the Hill and asked its repeal because it was absolutely unworkable. And it was repealed.

Fourth, it would cost a great deal more money because at present the Board consists of the Secretary, the Under Secretary, the Assistant Secretary for Stabilization, the Assistant Secretary for Marketing, the Assistant Secretary for Federal-State Relations, the Administrator of Marketing, the General Counsel of the Department. They are on the Board. They are serving at no extra expense for this activity.

In addition to that, it would take out 10 more officials who are already being paid by the Department who would have to be replaced. I doubt that they could be replaced anywhere with the type of men we have working for the Commodity Credit Corporation.

Really, this is one of the greatest corporations in the whole world. We cannot trust it to bring in unprepared outside people who possibly will have vested interests or would be asked to rid themselves of these conflicting interests. That absolutely could not work as well as the arrangement we have now. We tried this arrangement once and it did not work and it will not work again.

I certainly favor the Brown amendment and favor striking section 408 out of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN] to close the debate.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I am sorry that our subcommittee gets accused of trying to usurp jurisdiction, which really we have not done. If we have tried to do that, we have not been very successful, so I do not think any harm has been done. Actually I might say facetiously, if we had, it would have been in areas which these committees have abandoned. The facts are that we have not done that in any of these instances. It is clearly within the rules to write restrictions on the use of funds. It is effective only as the House may approve it and Congress may approve it. Perhaps in our efforts we have challenged these two committees to exercise their jurisdiction to save a country.

Both of these provisions have been held in order which means that they were within the rules of the House, and they are clearly within the jurisdiction of this Appropriations Committee. Again, they will be effective only as the Congress approves it. The other was disapproved. It seems impossible to get out a farm bill or to cut down our expenditures. Too many seem to have a vested interest. If we have succeeded in pointing up what we consider our failures we will have had some success. We lost on the other effort. I anticipate we will lose this one.

But I want to say again—and I would like the gentleman from California to listen to this; he just read the law which says that the officers of this Corporation shall be nominated by the President and confirmed by the Senate. If you adopt everything in this bill, that would still be the law. All we are saying is, having reviewed these tremendous expenditures and again, having had to sign the checks and read the papers which condemn the cost of agriculture, and after hearing all the speeches about how we are spending this country into bankruptcy through this Corporation—we are just saying that a \$14½ billion corporation is too big to expect these full-time employees in the Department to run it in their offhand moments.

For instance, here are the present directors—and I cast no reflection on them. Mr. True D. Morse, Under Secretary of Agriculture, who has to say grace over the whole operation of the Department. He also in his spare moments has to supervise this \$14½ billion Corporation.

If that Corporation had been run so well that it had gotten to where it came to your committee and asked to reduce its borrowing authority through the years, I might understand that; that would be all right. But the only jurisdiction that I think my friends on the Committee on Banking and Currency have exercised in recent years is that they met every year or two and increased the borrowing authority of the Corporation at the taxpayers' expense.

As the chairman said, the Agriculture Committee has directed the Secretary of Agriculture to spend funds of the Cor-

poration. He certainly has done so. Between that course and other compulsory programs we have spent \$26 billion and the Corporation, instead of having \$2.5 billion worth of commodities on hand, as it had in 1952, now has \$9 billion worth; and it gets worse and worse, largely because every group gets its cut and farm income has dropped \$3 billion in 7 years.

I hope those committees who think we have tried to invade their jurisdiction, and we have not, will not think I am out of order when I say that I surely hope, if you are so jealous of jurisdiction, you will take action. We, the people of the Nation, could really stand a new farm bill which would restore farm income and prevent us from spending the \$3 billion-odd in this bill. We point out the fact that it gets costlier and costlier and costlier and costlier, and our friends on the Agriculture Committee seem to get wider and wider apart so far as bringing anything in the way of a sound farm bill before us. Today is the first time I have seen any unanimity among our friends on the legislative committee in a long time. It is about the first time I have heard of where they agreed on anything, and that was to agree to knock out our efforts to save \$166 million in the future. That is all right but if our efforts have served to unite this committee, I hope they will continue to be united tomorrow, tomorrow, and tomorrow, and perhaps then we will get some new farm legislation which is so badly needed by the farmer and by the Nation. I hope you will read our report.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. McDONOUGH. The gentleman said the present board is occupied with other duties. He has not informed the committee how he can economize by picking people from the outside who are not even part of the Department and know nothing about its operations.

Mr. WHITTEN. With all due deference, I think the gentleman would agree that the Commodity Credit Corporation was organized as a corporation so it could have the right to buy and sell, so it could be run on a business basis. The officers are sworn to protect the assets of the Corporation, because they in reality are protecting the people of the country. Let me list the regular duties of the Directors of the Corporation.

DIRECTORS OF CCC

Ezra Taft Benson, Secretary of Agriculture.

True D. Morse, Undersecretary of Agriculture.

Ervin L. Peterson, Assistant Secretary for Federal-States Relations—including research, extension, soil conservation, Farmer Cooperative Service, Forest Service, and ACP—56,000 people.

Clarence L. Miller, Assistant Secretary for Marketing—including marketing research and service, Commodity Exchange Authority, Foreign Agricultural Service—10,000 people.

Marvin L. McLain, Assistant Secretary for Agricultural Stabilization—in-

cluding acreage controls, price supports, Sugar Act, conservation reserve, crop insurance, Commodity Credit Corporation—9,000 people.

General Counsel—in charge of all legal activities for the entire Department.

Oris V. Wells, Administrator, Agricultural Marketing Service—including marketing research, statistics, crop estimates, market regulation, market news service, school lunch program.

Take Mr. Peterson. How he has time for anything I do not know.

Mr. McDONOUGH. His judgment as a Director of the Corporation is better for these other things, because he decides what the prices shall be and what the warehouse costs shall be, and he is buying and selling these commodities.

Mr. WHITTEN. The Corporation is buying and selling and storing and incurring expenses and trying, I trust, to protect the assets of the Corporation. If you spend all your time dealing with forestry agents and county agents and ACP people I do not think it would particularly equip you to run a \$14.5 billion corporation; and I do not mean to reflect on Mr. Peterson.

Mr. Chairman, we are going to lose this fight, as we did the other. To me it means the Congress is not going to change the present law, nor the present course. Too many groups are getting a cut, so to speak, in this overproduction. To me it is tragic that we must have a boom and bust before we will face up to the situation.

Mr. Chairman, members of our subcommittee will at least have the comfort of spelling out the facts in our report and of at least making an effort.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. Brown].

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. GOODELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will vote no emphatically on this appropriation bill in protest against the backbreaking and senseless farm program which Congress seems blindly committed to perpetuate. Our congressional experts do not like what Secretary Benson and President Eisenhower send up here, but they do not seem to have any disposition to face facts themselves. Under a program of high price supports without any relationship to the market price, the Congress—and no one else—has imposed this monstrous burden on the American people. If reports from the so-called farm belt in the Midwest are true, these congressional experts know their business in exploiting political issues. The rugged self-reliance of the big wheat farmers seems to have gone—smothered and stifled by the heavy hand of our Washington experts.

It may be that these owners of farm factories will vote for no one who does not promise them a handout, but there is still some spirit left in our other farmers in this country. In the long run you will strangle not only the big wheat farmers, but our whole system of free agriculture if you continue down

the desolate road of political expediency. If I did not cry out in pain and anger at such a prospect, I could not face the people back home. Let us stop making political hay and stand up to the farm issue with some courage and honesty. The people need solutions, not issues.

(Mr. GOODELL asked and was given remarks.)

Mr. JOHNSON of Maryland. Mr. Chairman, I move to strike out the last word.

(Mr. JOHNSON of Maryland asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of Maryland. Mr. Chairman, in the debate today on the appropriation measure for the Department of Agriculture and Farm Credit Administration there was a point of order sustained striking the provision entitled "Marketing Services." In particular this deals with the Federal Poultry Inspection Act. I want the Members to know the great impact this will have on the poultry industry, especially on the Eastern Shore of Maryland. In my district this is considered a \$200 million industry and a most important segment of our local economy. I wonder, therefore if the Members realize just how far reaching the elimination of this section proves and the seriousness of its consequences.

As I understand, this bill as now amended, we will continue with compulsory Federal inspection of poultry, but the Department of Agriculture will no longer make a contribution toward the expense of this inspection service. At the same time, the Government continues to defray the inspection costs for meats. This I consider to be discriminatory to our poultrymen and as long as I am in Congress I shall continue to protect their interest.

May I say, Mr. Chairman, that the poultry industry today is so highly competitive that unless some substantial appropriation is made available for Federal Inspection of poultry, our plants may be financially jeopardized. When you place this additional expense on our poultrymen, which amounts to one-half cent or more per pound, it is just an added burden that I fear our people cannot absorb. It was Congress who required this mandatory inspection which began about a year ago and from all reports, it is working rather well and without too much criticism. I cannot justify my position in voting for this agricultural appropriation bill without the Government defraying its share of the expense of the mandatory inspection service. I sincerely hope, therefore, that this committee will work with the committee of the other body and in turn restore sufficient funds so that the poultry inspection act may be continued without undue hardship to my people and the other poultry areas.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Maryland. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I would like to assure the gentleman, and I am sure I am speaking the sentiments of other members of the committee as well, that we are interested in doing just what the

gentleman and the Congressman from Delaware have recommended. We want these programs to continue in as economical and efficient a manner as possible just as the gentleman does. We are going to work in every way possible to see that we accomplish that purpose. The gentleman from Maryland has talked to me several times today about this. He is a dedicated Member of the Congress and looks out for the interest of his constituents. I think it is a real privilege for his constituents to have him here representing them.

Mr. JOHNSON of Maryland. I thank the gentleman from Minnesota. It is gratifying to hear that the committee will cooperate in the restoration of these funds.

Mr. McDOWELL. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Maryland. I yield to the gentleman from Delaware.

Mr. McDOWELL. I wish to commend the gentleman, my colleague from the Eastern Shore of Maryland, which is a part of the great Del-Mar-Va poultry producing area. I agree with him that this is a most unfortunate action in the House today that these poultry inspection funds have been stricken from the bill. I, too, hope that the committee of conference or the other body itself in their wisdom will restore these funds so that not only the industry may benefit from poultry inspection, but that the consumers may have this protection, the same protection that all other agriculture products have today under this act.

(Mr. JOHNSON of Maryland asked and was given permission to revise and extend his remarks.)

Mr. ROBISON. Mr. Chairman, I presume that in some quarters a vote against the 1961 Department of Agriculture and Farm Credit Administration appropriation bill—H.R. 12117—will be considered an act of legislative irresponsibility. Maybe so, but, for so long as the present politically inspired congressional deadlock that prevents the passage of constructive legislation in the price-support field continues, I shall feel constrained to vote against any and all agricultural appropriations bills. It seems to me that to do otherwise would be an act of greater legislative irresponsibility.

I have studied the committee report that accompanies H.R. 12117 with interest. It is indicative of a great deal of hard work on the part of the members of the Committee on Appropriations who have struggled with this problem which is, in my opinion, the most difficult domestic economic issue that we face. At the same time, it is also indicative of the partisan philosophical split that prevents this Congress, as it has past Congresses, from finding the courage and common-sense to accept the inevitable and to seek a radically new approach.

What is that approach? Mr. Chairman, I confess I do not know the specifics of the way we should take, but I do know that it was a sorry day for the American farmer when this body embarked upon a course of seeking to find political solutions for the problems of agriculture. The program that Congress put together a generation ago in the dark days of the

great depression, and that subsequent Congresses have been embroidering upon ever since, goes way beyond the proper role that government, as I see it, should play in assisting in the orderly marketing of agricultural products by providing protection against inevitable seasonal changes in supply and demand, and in leading the way through research and development toward new markets and new marketplaces. It seeks instead to disregard self-restraint and to substitute the easy-seeming virtues of governmental guarantees. The results have been self-evident and all add up to such an overwhelming picture of disastrous failure that they can no longer be obscured by any amount of political buck-passing or finger pointing.

It has been a well-meaning effort by men of good will but it has hurt the most the little family farmer it was intended to help, and at the same time has enabled other natural opportunists to make fortunes out of his misery. It has left that same family farmer foundering in a confusing sea of political decisions over which he has less and less control and improperly marked him, in the eyes of the consumer and the taxpayer, as an economic parasite they must somehow get off their backs.

By ignoring what would seem to be a basic precept that farm production can never be balanced with effective market demand by legislation so long as increased production is encouraged by guaranteed prices, that same program has produced for us virtual harvests of insanity that we can neither sell or give away and that cost us over a million and a half dollars a day, each and every day of the year including the extra day of this leap year, just to store.

Mr. Chairman, the committee report is replete with conclusions to the effect that, and I quote, "What we have been doing has not worked." I could not agree more. It is also replete with urgent demands to the effect that, and again I quote, "something has to be done." Once again, I could not agree more.

However, when it comes to the question of what must be done, outside of the statement that this Congress and the Secretary of Agriculture ought to "get together" without delay, one can search the report in vain without finding any specific suggestion for improving the situation worthy of grasping for as a drowning man might grasp for straws. Thus, that same student of this report must turn to the Committee on Agriculture itself in an effort to find what is in the wind; whereupon, if he reads the signs accurately, the only legislative proposal of the many before that committee that seems to have a chance is something called by the high-sounding name of The Family Farm Income Act of 1960. This sounds pretty good for the embattled farmer-constituent. In fact, its sponsors call it an enlightened and new approach. That also sounds pretty good, but every study of this bill seems to indicate only that it is a dusted-off repackaging of what used to be called the Brannan plan which would bring the three-fifths par-

of American agriculture presently free of governmental controls under strict Federal regimentation, and go a little further toward making virtual serfs of all our farmer constituents. Mr. Chairman, I am positive that my farmers want no part of any such additional help. They want, instead, each a chance to stand on his own two feet again, without being dependent on Government or anybody else, striking out vigorously in organized ways to seek solutions for their own problems. They realize this might hurt for a while, because they are now well aware that someone always gets hurt during the course of an economic revolution such as American agriculture is now undergoing, but they think that the long-range benefits for them, as well as for America itself, will make that courage on their part well worth the cost and pain. If they can exhibit that sort of faith in the free enterprise system, I want to stand with them.

Mr. Chairman, does it make sense for the Congress to continue to prescribe massive doses of the same sort of medicine, namely, governmental tinkering with the operation of the natural laws of supply and demand, when it should already be evident to everyone here that such a prescription is only making our patient's condition more critical? I think not, and it is for that reason that I have introduced in this Congress a bill which would terminate the price-support program. My bill is known as H.R. 9781, and though I realize it would not go anywhere, it is there, along with several others like it, for anyone to hang their hat on who may care to do so. I also realize that Uncle Sam cannot and should not let go of both of the farmer's hands at once, as my bill would purport to do, and that, instead, there would have to be carefully worked out specific governmental aids to help him through the period of adjustment that would necessarily follow any gradual withdrawal. But, these things can and should be worked out, if we but have the wisdom and the desire to do now what we will inevitably have to do some day in the not-too-distant future.

Let me make clear that there are many provisions and programs in this appropriation bill that I fully support, including, I am happy to note, a partial funding of the much-needed National Soil and Water Research Center scheduled for construction at my alma mater, Cornell University, at Ithaca, N.Y. However, feeling as strongly as I do about the utter foolishness of continuing the present price-support program merely because we are unwilling to accept the handwriting on the wall with respect thereto that clearly says, "Failure, failure, failure," I must cast my vote against the whole measure.

Mr. ROGERS of Florida. Mr. Chairman, I notice in the committee report that \$19 million is recommended for further work toward eradicating brucellosis during the 1961 fiscal year.

I certainly agree that the eradication of brucellosis in cattle is a worthwhile and highly desirable objective. It is a

program of concern to both the State and Federal Governments. Over \$3.5 million in State and Federal money has been spent in my own State of Florida since 1954 in an attempt to eradicate brucellosis on roughly a matching basis. As of June 30, 1960, it is estimated that 29 out of 67 Florida counties will have been certified modified-free from brucellosis. This means simply that in those counties which are so certified, infection has been reduced to the point where not more than 1 percent of the cattle and not more than 5 percent of the herds show evidence of the disease.

The complete cooperative brucellosis eradication program carried on under the auspices of the Animal Disease Eradication Division of the U.S. Department of Agriculture consists of two parts. The first part of the overall program involves calfhood vaccination and the other part involves testing of all herds and cattle on an area basis and elimination of infected animals. Federal funds are available only to those States, the counties of which are willing to accept the whole eradication program, that is, both calfhood vaccination and test and slaughter.

The counties in Florida which have accepted the complete program are located mostly in the north and northwestern part of the State where the herds are generally smaller and the conditions different in contrast to those which prevail in the vast range lands of central and southern Florida.

Because of this unique situation in some areas of central and south Florida, the Florida Cattlemen's Association has endorsed the calfhood vaccination approach to combating the disease. In a series of resolutions dating back to May 1958 this group has advocated a suspension of the test and slaughter phase of the program and has asked the Florida Livestock Board to initiate a program of compulsory calfhood vaccination.

At this point, Mr. Chairman, I would like to include in the body of my remarks portions of three resolutions adopted by the Florida Cattlemen's Association. The first of these, dated May 1958, reads:

Whereas the range cattlemen in many areas of Florida are not yet ready for a compulsory test and slaughter eradication program for brucellosis; and

Whereas, in any event, this program has not been proved to be 100 percent effective in other areas: Be it

Resolved, That the Florida Cattlemen's Association hereby requests the Livestock Board to concentrate its efforts in this field on an extensive calfhood vaccination program in lieu of its present county-by-county modified brucellosis-free program.

The second of these resolutions, adopted in May of 1959, reads as follows:

Be it resolved, That the Brucellosis Committee of the Florida Cattlemen's Association recommend to the Florida Livestock Board that the further extension of the test and slaughter program be temporarily suspended and that we request the cattle industry of Florida to endeavor to have passed a law permitting the Florida Livestock Board to inaugurate a compulsory calfhood vaccination program.

The third resolution, adopted in October of 1959, reads:

Whereas the brucellosis regulations of the several States relative to the entry of breeding animals from other States are quite varied; and

Whereas the Council of Southern Cattlemen's Association Presidents has agreed to seek approval from the livestock sanitary authorities of each southern State for a uniform regulation allowing calfhood vaccines to move into each State without further tests, regardless of age and the brucellosis-free status of the county of origin: Be it

Resolved, That the Florida Cattlemen's Association, meeting in Silver Springs, Fla. on October 29, 1959, hereby endorses this effort and asks the Florida Livestock Board to take whatever steps are necessary to put into effect this simplified imports requirement for breeding animals entering Florida.

Also, I would like to quote a portion of a letter I received from Mr. J. O. Pearce, Jr., president of the Florida Cattlemen's Association. It reads, in part:

We have studied very thoroughly the effects and results of the brucellosis program on the cattle industry of our State and found that calfhood vaccination is the best way to control brucellosis in Florida. Therefore, these resolutions have been adopted.

Immediately after the adoption of the resolution in May of 1959, the USDA withdrew all money from the program except where the full test and slaughter program was in effect. We had spent years trying to get cattlemen in central and southern Florida on the calfhood vaccination program. Then suddenly it was withdrawn, leaving the cattlemen in the central and southern part of the State with no program at all. Any cattleman that vaccinated calves had to hire a veterinarian to do the work for him.

During the past year, of the calfhood vaccines tested in Florida, less than 2 percent were reactors. We feel that any time you get over 98 percent protection by immunization you are on the road to eradication of that disease.

Mr. Chairman, I submit the position of the Florida Cattlemen's Association in the record to show that an honest difference of opinion exists as to the best way to eradicate brucellosis—at least, in a large portion of the State of Florida. The record will indicate a sincere desire on the part of our State officials and our cattlemen to rid Florida cattle of this disease. The Department of Agriculture is insistent on State acceptance of a complete program before Federal funds are forthcoming. I would simply like to point out that a program which is adaptable in one part of the country may not meet the needs of another section. I would ask that the Department reexamine the brucellosis program in Florida in an effort to arrive at a solution which will best meet the needs of our Florida cattlemen.

Mr. METCALF. Mr. Chairman, at his press conference on February 10, 1960, President Eisenhower was asked about the school support bill passed by the other body. His reply included these words:

I do not believe the Federal Government ought to be in the business of paying a local official.

During debate on the Interior Department appropriation bill, I pointed out that the measure under consideration provided money to help pay the salaries

of at least 95,653 local officials. During debate on the appropriation bill for the Department of Health, Education, and Welfare and the Labor Department, I noted that Federal money would help pay the salaries of at least 562,000 State and local officials, including some 316,666 public elementary and secondary schoolteachers. The total of the State and local officials paid at least in part with Federal funds provided by those two bills is minimum of 657,653.

Under the bill before us today, Federal money would help pay the salaries of at least 71,665 State and local officials. They include 15,000 extension service employees, extension agents and extension service workers and 5,500 extension service clerical employees, in all 50 States; 9,165 members of State ASC committees and program staffs, and 22,000 ASC clerical employees, also in all 50 States; plus some 20,000 State experiment workers in those States which have land-grant colleges.

These three bills include a total of at least 729,308 State and local employees paid at least in part with Federal funds.

As I have said before, I favor the use of Federal tax funds for paying these local officials, including schoolteachers. Before action on this bill in the other body, I hope someone will ask the President to make his position clear. Does he want these local officials, including hundreds of thousands of teachers, to continue to be paid in part with Federal funds, or does he want Federal support withdrawn from these programs?

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. WHITTEN. Mr. Speaker, I ask for a separate vote on the so-called Cooley amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put the remaining amendments en gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 30, beginning on line 6, strike out "Provided further, That no part of these funds may be used to formulate or admin-

ister a program which provides for reclassing of Commodity Credit Corporation cotton after time of sale to private individuals or organizations."

The SPEAKER. The question is on the amendment.

Mr. WHITTEN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken; and the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations.

By unanimous consent the previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CORRECTION OF ROLL CALL

Mr. KARSTEN. Mr. Speaker, on roll-call No. 85 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent Record and Journal may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LEVERING. Mr. Speaker, on roll-call No. 82 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent Record and Journal may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CRAMER. Mr. Speaker, on roll-call No. 82 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent Record and Journal may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

FLIGHT SAFETY FOUNDATION

(Mr. McCORMACK asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. McCORMACK. Mr. Speaker, the Flight Safety Foundation, whose opinions, I believe, carry considerable weight in the field of aeronautical research and survey, has stated that "the most critical problem in aviation today is the maintenance of separation between aircraft." For some time I have been forced to the same conclusion by the revolutionary changes that have come about in aviation, particularly the unparalleled congestion on our airways and the introduction of aircraft of fantastic speeds. These changes have placed an enormous responsibility upon our country's air traffic control service.

In a message to the national meeting of the Air Traffic Control Association, held in Oklahoma City, Okla., on October 9 of last year, I said:

The modernization and strengthening of this service, therefore, in order that it may be able to grapple successfully with the highly complex problems of this jet age, has become the primary aviation problem of our time. Since this problem affects the vital interests of our commerce, our national defense and the lives of the millions of men, women and children who travel by air, its sound solution should be the concern of all our citizens.

The air traffic control problem, as I see it, calls for modern control facilities, equipment and methods of control, all of which are essential to its sound solution. But the heart of the problem is the human element—the controller himself, the man on whose traffic separation decisions the lives of so many people are dependent. I was delighted to learn recently that the Air Traffic Control Association not only recognizes the need for a modernized control system, but also proposes that these dedicated men of the control towers and centers shall be given a sound, professional status with adequate compensation, retirement and other appropriate protections.

You of the Air Traffic Control Association have my best wishes for the success of your worthy and enlightened efforts to safeguard the air traffic problem, for that is of primary importance.

Now 2 years ago the Congress recognized the seriousness of this personnel problem by writing into the new Federal Aviation Act of 1958 section 302(g). That section directed the Administrator of the Federal Aviation Agency to make a study of this personnel problem, giving due consideration to the need for special qualifications and training, special provisions as to pay, retirement, and hours of service, and special provisions to insure the availability and responsiveness of the air traffic control personnel in fulfilling national defense requirements. The Administrator was directed to report the results of the study, with his recommendations, to Congress on or before January 1, 1960. The Administrator completed his study substantially in due time, but the report has not yet reached the Congress because it has been under study by the Bureau of the Budget.

The report of the Subcommittee on Aviation of the Senate Interstate Commerce Committee, which was submitted by its chairman, the able Senator from Oklahoma, Senator MONRONEY, emphasized the urgency of the problem with which section 302(g) is concerned. The report stated:

Aside from the question of unified service and provisions for war emergencies, a study is urgently required of special personnel problems affecting the present CAA air-traffic control operators. It is therefore the intention of your committee that the personnel study called for in section 302(g) include early consideration of ways and means for strengthening the present air traffic control service through special pay, retirement, and other incentive measures.

It seems to me, Mr. Speaker, that the note of urgency which runs through the Senate report—Report No. 1811—reflects the importance of this problem to the 50 million airline passengers and the many additional people using private, executive, and other-than-airline planes, who annually travel our airways. The dedicated men of air traffic control have maintained up to this time an amazingly high record of safety against midair collisions, despite the handicaps under which they have had to work; but the ravages of time and, more important still, the devastating effects of the stress and strain of their nerve-wracking task, are building up conditions that are certain to jeopardize safety unless corrective measures are taken.

The question of a realistic retirement policy, such as Congress provided a number of years ago for the men of the FBI, and the question of limitation of the hours of work which Congress provided in principle for the airline pilots 22 years ago, are perhaps the two most important issues involved and presumably dealt with in the Administrator's report which we have not yet received.

I bring this matter to the attention of the House because I believe it possesses urgency and importance to the members of the air-traveling public. I believe that we should act to avert possible future tragedies rather than wait for air disasters to provide a motive for action. I hope and urge, therefore, that the executive branch make available to the Congress the results of its study at the earliest possible moment.

TWENTY-FIFTH ANNIVERSARY OF THE RURAL ELECTRIFICATION ADMINISTRATION

(Mr. AVERY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. AVERY. Mr. Speaker, this is the 25th anniversary of the Rural Electrification Administration. The past 25 years have witnessed the building of electrical transmission lines throughout the country that have had the effect of completely revitalizing the rural areas of our Nation. Obviously, the greatest impact of the program occurred during the first few years after its authorization, but the services of the Rural Electrification Administration continue to expand.

One of the most significant aspects of the growth of the Rural Electrification Administration is the tremendous amount of work that has been donated by nonpaid but interested farmer-members throughout the United States, especially in the early days of this organization when there was considerable reluctance and apprehension on the part of some farmers to commit themselves to an added expense during a period of depressed prices that prevailed from 1932 until the advent of World War II. It was largely through the courage and conviction of these dedicated farmer-members that the practicability of distributing electricity through the rural areas was established.

After its acceptance and the reasonable cost had been established, its growth and expansion was very rapid. This growth and expansion was interrupted only by World War II.

I think it is especially appropriate to call the attention of the Members of the House to the fact that one of the most outstanding administrators of the Rural Electrification Administration is a Member of the House today from the great State of Minnesota, the Honorable ANCHER NELSEN. It was during his administration that most of the policy questions revolving around REA were resolved to the near satisfaction of all interested parties, both Government and nongovernment. There has been noticeably less conflict around this Agency since Mr. NELSEN's tenure as its Administrator.

In my State of Kansas a good friend of mine, Mr. Fred Yarrow, was a pioneer in the development of rural electric co-ops and I am glad that he is in Washington at this time to attend this anniversary.

It is of further interest to note the fine record made by the Rural Electrification Administration and the REA's telephone program last year.

During 1959, REA's electric borrowers connected 132,000 unserved rural establishments. Three-fourths of these were nonfarm consumers. At the same time, the average use of electricity continued to rise, and REA borrowers sold nearly 14 percent more electric power in fiscal 1959 than they did in 1958.

During the year, 250 electric loans were approved amounting to \$177,292,100, bringing total loans since 1935 to more than \$3.94 billion. Principal and interest payments to the Government rose to more than \$1.1 billion, and over \$146 million of this sum represented payments made in advance of due dates. Only two borrowers were delinquent in payments more than 30 days as of June 30, 1959. Net worth of borrowers amounted to 16.6 percent of their total assets at the end of calendar 1958.

REA telephone loans in 1959 set a new record of \$99 million. A total of 223 loans were approved, including loans to 54 new borrowers. They brought the total number of telephone companies and cooperatives participating in the program to 665.

Loans since start of the telephone program in 1949 rose to \$575 million by the end of 1959. When construc-

tion is completed, this money will provide modern telephone service for 1.2 million subscribers. More than 180,000 new subscribers were connected during 1959.

Telephone borrowers made payments to REA of more than \$8.8 million during 1959. At year-end, 95 borrowers had a balance with REA of nearly \$1.6 million in advance payments, and the number of borrowers delinquent more than 30 days in their payments had been reduced to 13.

AWARD OF KOLLIGIAN TROPHY TO 1ST LT. RONALD L. WARNER

(Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks at this point in the RECORD and include extraneous matter.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, on the 11th of this month, today, 1st Lt. Ronald L. Warner was awarded the U.S. Air Force's Koen Kolligian, Jr., Trophy by Gen. Curtis E. LeMay, Air Force Vice Chief of Staff.

It is a source of great pride to me that the Kolligian family lives in my congressional district. This is the third award of that trophy I have been privileged to witness. I am so grateful to the young Kolligian pilot who gave his life for us and to his family for their appreciation of the heroism of other pilots.

Lieutenant Warner lives in the district of the gentleman from New York [Mr. GOODELL]. Mr. GOODELL also attended the award and I know he feels great pride in his constituent.

I set forth at this point the Air Force release from the Pentagon relating to this award:

AIR FORCE AWARDS KOLLIGIAN TROPHY TO TRANSPORT PILOT

The third annual award of the U.S. Air Force's Koen Kolligian, Jr., Trophy was made this morning to 1st Lt. Ronald L. Warner by Gen. Curtis E. LeMay, Air Force Vice Chief of Staff, in ceremonies held at the Pentagon.

The trophy, presented each year to the aircrewman who most successfully copes with an emergency situation in flight, was awarded to Lieutenant Warner for exercising unusual courage, airmanship, and judgment in landing a crippled C-119 during an over-water flight between Okinawa and Guam on September 4, 1959.

Lieutenant Warner, 25, of Cattaraugus, N.Y., was piloting the cargo-type aircraft with 27 passengers aboard when a malfunction occurred in the right propeller, causing the aircraft to lose altitude rapidly. The plane was midway between Okinawa and Guam, with insufficient fuel to reach a suitable landing area. With the aircraft operating at reduced speed due to the defective propeller, Lieutenant Warner managed to get it under control and maintain a flyable altitude.

Knowing he could not reach Guam, Okinawa, or Iwo Jima, Lieutenant Warner made radio contact with two escort aircraft, then jettisoned five 6-man life rafts and associated survival equipment and eventually landed the plane and passengers at Iwo Jima successfully with practically no fuel left in the tanks.

In citing Lieutenant Warner for this operation, the Air Force said "his courage and determination together with his superior knowledge, skill, and professional airmanship enabled him to cope successfully with an in-flight emergency situation and undoubt-

earth, the TV transmitted pictures which were received 75 miles away.

The uses of such a device are obvious, especially in wartime when a commander far distant from the target could know immediately whether the missile hit the target and the extent of the damage.

For 6 weeks now, the RCA-designed and constructed Tiros satellite has been hurtling around the globe, flashing back by radio and television reports on whether conditions in outer space. It was built by the RCA Astro-Electronic Products Division, under the general systems management of the National Aeronautics and Space Administration and the technical direction of the U.S. Army Signal Research and Development Laboratory at Fort Monmouth, N.J.

Tiros, the Nation's most advanced space-borne TV eye, comprises the most elaborate electronics installation ever sent into orbit. It is equipped with approximately 450 transmitters and semiconductor devices such as will be made in the Mountaintop plant. Tiros carries miniature television cameras, video tape recorders, transmitters, solar cells, and rechargeable battery power supplies, all of which are expected to function for about 3 months, during which time it is expected to complete about 1,300 orbits. As a result, meteorologists will have pictures galore of cloud formations over an extensive belt.

Since you have read the fascinating story of Tiros in the newspapers, I will not dwell upon it further—except to say that it is a forerunner of remarkable achievements which are destined to make news, and each step will put the United States further ahead in the conquest of space.

These developments which I have endeavored to sketch may help you to visualize that electronics has a future range as unlimited as the expanse of space. It is an inexhaustible laboratory in which pioneering never ends. The problems and challenges multiply with each discovery as we seek clues to new knowledge that will enable man to establish new routes in travel and communications across the boundless ethereal sea of the universe. Fantastic looking machines will sail across the heavens. Scientists of this generation and those to follow are destined to take part in this unprecedented conquest. Brains and billions will comprise the equation of success.

Semiconductors produced here in Mountaintop qualify to operate under your slogan, "Progress Through Action," for these little mites of electronics possess a tremendous potential. Action is their keynote.

Again let me say, all of us in RCA are happy to join with you in helping to fulfill the aims of the chamber of commerce in making the sixties a golden decade for Greater Wilkes-Barre.

Better for What?

EXTENSION OF REMARKS

OF

HON. ELMER J. HOLLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1960

Mr. HOLLAND. Mr. Speaker, I would like to insert into the RECORD the editorial published by the Pittsburgh Post-Gazette and Sun-Telegraph on May 9, 1960, entitled "Better for What?"

It refers to our President's retort to a question asked him on why he was not reappointing William R. Connole to the Federal Power Commission, especially since he was the sole member of that

Commission who really represented the consumers against the gas-oil lobby and who fought for the consumers' interests.

"With arms folded over his chest and his face flushed," as one reporter wrote, "the President said, in effect, 'it is none of your business. It is my responsibility to appoint people and to get the best people I can. I think I can get a better man, that is all.'"

I join with the Pittsburgh Post-Gazette and Sun-Telegraph in asking "Better for what?" and "Better for whom?"

It is no secret that the President has, since taking office in 1953, hoped to have legislation passed that would prohibit the Federal Power Commission from regulating the cost of gas at the source, thereby permitting the gas industry—which is actually owned and controlled by the oil interests—to charge what they wished. Each session, except the present one, legislation has been introduced to permit this.

Thanks to the policy of the present Federal Power Commission, this legislation is no longer required for they have been granting rate raises continually with the only dissenting vote being cast by Mr. William Connole.

Apparently the President does not even want one vote registered against big interest. It certainly does not count; it has not stopped the increases; it has not influenced any fellow members of the Commission during the years, but it seems that the President does not want any appointment of his to even speak out against big business.

The President has from the start of his administration showed himself distinctly allergic to crusader types in Government—particularly in the agencies which regulate business. Where he is required by law to appoint a minority of members from the opposition party, he has always chosen Eisenhower Democrats or independents. This particular case is where an independent—Mr. Connole—was too independent for he felt the consuming public needed a spokesman.

Although time is running out for Mr. Eisenhower, he intends to see that only those in whom he is interested get proper representation.

It looks as though the "better for whom" in this case, is "better for those who supported Ike," and the "better for what" is "better profits for big business."

The article referred to follows:

BETTER FOR WHAT?

The public has a right to be as indignant over President Eisenhower's refusal to reappoint William R. Connole to the Federal Power Commission as the President was when asked at his press conference why he is so determined to remove Mr. Connole from the scene.

Showing what the press described as evident irritation, President Eisenhower snapped back at his questioner in these words:

"First, why, this: Because it is my responsibility to appoint people and to get the best people I can. This Mr. Connole came to see one of my staff in December to ask about his reappointment, and they said they'd look into it. I think I can get a better man, that's all."

But that, in fact, is not all, as a growing outburst of support for Mr. Connole and

possible congressional intervention may determine. Mr. Connole, a political independent from Connecticut, was appointed to the commission in the first place by this same President who now refers to him as "this Mr. Connole," as though he had never heard of the man.

Mr. Connole has compiled a commendable record on the FPC—one that certainly deserves more of an explanation from President Eisenhower than he has given so far for refusing to reappoint him. He is widely known as the only present FPC member who has fought consistently to hold gas prices down for the consumer, a stand which has alienated the gas industry, needless to say.

And Mr. Connole is the only present commissioner who has steadfastly maintained that the FPC should become a real regulatory agent—one with back bone—over the gas industry under terms of the Natural Gas Act; and in this position, which he alone held on the commission, he was supported by the Supreme Court in 1954.

Shortly after the President's remarks on the matter the other day, the Great Lakes Conference of Railroad and Utilities Commissioners endorsed Mr. Connole's reappointment. A week earlier, utility commissioners from southeastern States, and before that, New England States, California, and Tennessee had urged his reappointment. And the same day President Eisenhower was dismissing the subject so curtly, a group of professors of administrative law and regulation at Yale, Columbia, Harvard, and Pennsylvania Law Schools came out strongly for his reappointment.

Obviously, with that kind of wide support—not to mention action by mayors of 60 large cities who also have urged the President to reappoint Mr. Connole—he cannot have done too bad a job. Yet, ironically, the one man on the FPC who has had the courage and integrity to fight for the consumer and to insist that the FPC do what it is supposed to do is the one commissioner the President is now trying to get rid of.

Perhaps the President can find a better man than Mr. Connole. But his past record of choosing members of key regulatory bodies has been something less than brilliant, as the growing list of improprieties, lack of judgment, and shenanigans in such agencies comes to light.

In view of Mr. Connole's record of battling for gas consumers against the pressures of the natural gas industry, the President's remark that he can find a better man than Mr. Connole raises pertinent questions: Better for what? And for whom?

H.R. 12117

SPEECH
OF

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 10, 1960

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

Mr. ARENDS. Mr. Chairman, I would like to say to the committee that at the bottom of page 17, "Benefits to General Public," you begin to get into a question which has interested me very much. I picked up the paper the other day when this appropriations action was an-

nounced, and the headlines said, "\$4 Billion Appropriated for Agriculture."

It seems to me that we too often leave the impression that every dollar spent within the Agriculture Department is spent for the benefit of the farmer. In this section you have begun to get into the question and I was hoping your committee could set forth the total amount of what might be really charged to agriculture and what to the general public, so that there will be a better understanding on the part of our populace that agriculture as such does not reap the benefit of many of the dollars appropriated in the Department of Agriculture bill.

Mr. WHITTEN. I thank the gentleman for his statement. I am afraid much of the press is directed to the 88 percent of the people who are non-farmers.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Governor Meyner Talks Food for Peace in Iowa Address

EXTENSION OF REMARKS

OF

HON. LEONARD G. WOLF

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1960

Mr. WOLF. Mr. Speaker, last Saturday the distinguished Governor of New Jersey gave a fine talk on the subject of using food to win and hold friends abroad. I take pride in placing in the CONGRESSIONAL RECORD this speech, which occurred in Iowa at the State Young Democrats' convention:

ADDRESS OF GOV. ROBERT B. MEYNER, AT THE STATE CONVENTION DINNER OF THE IOWA YOUNG DEMOCRATS

What I say tonight is concerned first of all with the American farmer. Please note that I do not say I will talk about the farm problem. There is no farm problem; there is only an American problem. I object, in fact, to the way it is made to appear that what happens to American agriculture is the farmer's problem. So long as human beings require food for subsistence, anything that concerns the men who grow the food concerns everyone.

Since I plan to talk with you about agriculture, I might say at this point that we in New Jersey are proud of our farm heritage. Our oldest continually worked family farm was originally purchased from the Indians in 1640, and has been handed down from generation to generation ever since. New Jersey farmers realize the highest income per acre—\$178.89—of any in the United States. And they have achieved this distinction in the most urban State in the Union. I like to think of this as another example of the efficiency with which farmers have utilized the great advances in farm technology.

In all the talk about the farm situation it seems to me we have a tendency to get lost in the small type. There are some great simplicities that are as true today as they were when man first put seed into the earth. We ought never to lose sight of these great simplicities in all the talk about parities and subsidies, quotas, and allotments. In fact, my principal criticism of Government

farm policy is that it has often wandered away from the fundamentals. Our farm surplus is not quite so awesome and gigantic as we have been led to believe. Actually, it is only 2 percent of the total farm product. Two percent.

We need not be terrified by the agricultural surplus as long as a substantial percentage of the world we live in is badly underfed. There are large, populated areas where rainfall is slight. The land is unsuitable for agriculture. The people are inadequately nourished.

Now, let us take these two fundamental facts—the present surplus here and the hunger elsewhere—and then try to fit into the picture the fact that we have not been able to connect these fundamentals in any way that makes sense to the human intelligence or the moral imagination.

What we see between these two great fundamental facts is not a bridge, but large storehouses of grain on which we pay more than a million dollars of rent a day even as the grain spoils.

Now there are all sorts of explanations why this has to be. I have heard experts talk by the hour about all the difficulties that would be involved in matching surplus to need. I have heard elaborate theories about normal markets and abnormal markets, about structures and supports.

But all this is pinhead type against the life-size facts of the world we live in. Our problem is too much. The problem of others is not enough. And we haven't been ingenious enough to do the connecting moral arithmetic.

Incidentally, I should like to take by the hand the expert who thinks it makes sense to store food we can't use—I should like to take this fellow by the hand and set him down in front of a hungry child in Asia, Africa, or Latin America and let him try to get his point across—if he can.

I should also like to set him down in the path of starving food-rioters storming Government granaries in the face of rifles and bayonets. Let the expert make his point to these so-called rioters.

I realize that a certain amount of clash and antagonism are a part of our way of life. But should small and large farmers feel they are being pitted against one another? Or the grower against the storer? Should Government support, encourage, and institutionalize those features of an agricultural system which breed waste, discourage initiative, and make the world see us as a glutton or a hoarder?

Yes, I know I have painted an extreme picture. I know that from time to time we have sent large quantities of food to other nations. And I am happy about the new arrangement under which wheat is being sent to India. Two facts should be observed in this connection, however.

The first is that we have been dealing in small fractions when we should have been dealing in whole numbers.

The second fact is that we have tried to justify our generosity to ourselves on the grounds that this was the best way to fight the cold war. I happen to believe that it was the best way to fight the cold war; but that is incidental. Why can't we do big things because they are the right things to do—and not just because we think we can gain a competitive advantage?

The United States became great not because it was shrewd but because it was open and free and because it said something to all men and not just to Americans alone. Nothing in our American history is more specific than that the men who came together at the Philadelphia Convention thought of this country as a human experience rather than as just a national experience. To them America was an idea—an idea that had validity for all men. This idea had to do with the natural rights of man, the relationship of

man to the state, the moral contract that binds each man to the next, and the need to provide the fullest possible growth for the individual.

Only a few years ago, we were reminded of these basic ideas when a conference was held in a little mountain city in Indonesia called Bandung. The nations of Asia and Africa which had finally won their freedom came together in this city to mark their historic emergence as members of the family of nations. The ideas they invoked from history were the ideas that went into the making of the United States. Indeed, the Asian and African leaders acknowledged their great debt to the American Founding Fathers.

My point is that if the nations of Asia and Africa feel these ideas from the American past are relevant in the modern world, it is barely possible that they might still hold some relevance for us, too.

These ideas, to repeat, are concerned with the need for human connection, with the fact of community, and with the nature of human freedom and human obligation.

We are being tested in the world today—not just in terms of our ability to make the big bombs or the big missiles, but in terms of our ability to earn the good will and support of the overwhelming majority of the world's peoples. Our security depends not just on the amount of destructive force we can mount but on the amount of leadership we can exert in making the human community in the world safe for its peoples.

Last summer, my wife and I were part of the Governors' group that visited the Soviet Union. I came away with the realization that the challenge of the Soviet is far greater than I had previously supposed it to be.

I realized that the Soviet, far from sealing itself in from the outside world, was moving mightily to establish itself with other peoples, especially the peoples of Asia and Africa. The idea of the Iron Curtain as a symbol no longer had meaning alongside the massive efforts being made by the Soviet Government to identify itself with the needs and hopes of other peoples.

I saw the beginning of a powerful program of economic aid. It is actually only now getting underway. In 5 or 6 years, it may reach dimensions that may go far beyond even the Marshall plan.

I saw delegations arriving from all over the world—trade delegations, religious delegations, scientific delegations, educational delegations, farm delegations—all taking part in important meetings.

And I realized that a basic shift in Soviet strategy had come about. The Soviet leaders realized that victory in the modern world could not be achieved on a nuclear battlefield but only through their ability to isolate the United States from the overwhelming majority.

When I discuss this challenge with some Americans, they tend to flinch. They become overwhelmed with foreboding. They do not think the United States can hold its own in that kind of showdown.

And it's interesting to me to see that, generally speaking, these are the same people who think we can find security just by building bigger bombs than the Russians and a better delivery system.

I think these people are wrong on both counts.

First, I think they are wrong in being defeatists about our ability to hold our own in any nonmilitary competition with the Soviet.

Second, I think they are wrong in thinking that the United States can find security in an atomic armaments race.

I have no fear about the capacity of the United States to give a good account of itself in a nonmilitary competition with the Soviet Union. The thing I fear much more is that we may not have confidence in that capacity—indeed, that we may not know how to put it to work.

86TH CONGRESS
2D SESSION

H. R. 12117

IN THE SENATE OF THE UNITED STATES

MAY 12, 1960

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1961; namely:

1 DEPARTMENT OF AGRICULTURE
2 TITLE I—REGULAR ACTIVITIES
3 AGRICULTURAL RESEARCH SERVICE
4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, and home economics, to
7 control and eradicate pests and plant and animal diseases,
8 and to perform related inspection, quarantine and regulatory
9 work, and meat inspection: *Provided*, That not to exceed
10 \$75,000 of the appropriations hereunder shall be available
11 for employment pursuant to the second sentence of section
12 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
13 amended by section 15 of the Act of August 2, 1946 (5
14 U.S.C. 55a): *Provided further*, That appropriations here-
15 under shall be available for the operation and maintenance
16 of aircraft and the purchase of not to exceed two, of which
17 one shall be for replacement only: *Provided further*, That
18 appropriations hereunder shall be available pursuant to title
19 5, United States Code, section 565a, for the construction,
20 alteration, and repair of buildings and improvements, but
21 unless otherwise provided, the cost of constructing any one
22 building (except headhouses connecting greenhouses) shall
23 not exceed \$15,000, except for five buildings to be con-
24 structed or improved at a cost not to exceed \$30,000 each,
25 and the cost of altering any one building during the fiscal

1 year shall not exceed \$5,000 or 5 per centum of the cost
2 of the building, whichever is greater:

3 Research: For research and demonstrations on the
4 production and utilization of agricultural products, home
5 economics, and related research and services, including
6 administration of payments to State agricultural experiment
7 stations, \$67,934,000: *Provided*, That the limitations con-
8 tained herein shall not apply to replacement of buildings
9 needed to carry out the Act of April 24, 1948 (21 U.S.C.
10 113a), or to not to exceed \$1,000,000 to remain available
11 until expended for the construction and alteration of build-
12 ings: *Provided further*, That the Secretary of Agriculture
13 may sell the Entomology Research Laboratory at Orlando,
14 Florida, in such manner and upon such terms and conditions
15 as he deems advantageous and the proceeds of such sale shall
16 remain available until expended for the establishment of an
17 entomology research laboratory: *Provided further*, That in
18 the establishment of such laboratory the Secretary may
19 acquire land therefor by donation or exchange;

20 Plant and animal disease and pest control: For opera-
21 tions and measures, not otherwise provided for, to control
22 and eradicate pests and plant and animal diseases and for
23 carrying out assigned inspection, quarantine, and regulatory
24 activities, as authorized by law, including expenses pursuant
25 to the Act of February 28, 1947 (21 U.S.C. 114b-d),

1 \$52,011,000, of which \$1,500,000 shall be apportioned for
2 use pursuant to section 3679 of the Revised Statutes, as
3 amended, for the control of outbreaks of insects and plant
4 diseases to the extent necessary to meet emergency
5 conditions;

6 Meat inspection: For carrying out the provisions of
7 laws relating to Federal inspection of meat, and meat-food
8 products, and the applicable provisions of the laws relating
9 to process or renovated butter, \$21,562,000;

10 Special fund: To provide for additional labor to be em-
11 ployed under contracts and cooperative agreements to
12 strengthen the work at research installations in the field, not
13 more than \$1,000,000 of the amount appropriated under
14 this head for the fiscal year 1960 may be used by the Ad-
15 ministrator of the Agricultural Research Service in depart-
16 mental research programs in the fiscal year 1961, the amount
17 so used to be transferred to and merged with the appro-
18 priation otherwise available under "Salaries and expenses,
19 Research".

20 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY
21 PROGRAM)

22 For purchase of foreign currencies which accrue under
23 title I of the Agricultural Trade Development and Assistance
24 Act of 1954, as amended (7 U.S.C. 1704), for market de-
25 velopment research authorized by section 104 (a), and for

1 agricultural and forestry research authorized by section
2 104 (k) of that Act, to remain available until expended,
3 \$15,131,000: *Provided*, That the dollar value of the unex-
4 pended balances, as of June 30, 1960, of allocations of
5 foreign currencies heretofore made available to the Agri-
6 cultural Research Service for the foregoing purposes of sec-
7 tion 104 (a) is appropriated as of that date and shall be
8 merged with this appropriation: *Provided further*, that funds
9 appropriated herein shall be used to purchase such foreign
10 currencies as the Department determines are needed and
11 can be used most effectively to carry out the purposes of this
12 paragraph, and such foreign currencies shall, pursuant to
13 the provisions of section 104 (a), be set aside for sale to the
14 Department before foreign currencies which accrue under
15 said title I are made available for other United States uses.

16 STATE EXPERIMENT STATIONS

17 Payments to States and Puerto Rico: For payments
18 to agricultural experiment stations to carry into effect the
19 provisions of the Hatch Act, approved March 2, 1887, as
20 amended by the Act approved August 11, 1955 (7 U.S.C.
21 361a-361i), including administration by the United States
22 Department of Agriculture, \$31,053,000; and payments
23 authorized under section 204 (b) of the Agricultural Mar-
24 keting Act, the Act approved August 14, 1946 (7 U.S.C.
25 1623), \$500,000; in all, \$31,553,000.

1 Penalty mail: For penalty mail costs of agricultural
2 experiment stations under section 6 of the Hatch Act of
3 1887, as amended, \$250,000.

4 DISEASES OF ANIMALS AND POULTRY

5 Eradication activities: For expenses necessary in the
6 arrest and eradication of foot-and-mouth disease, rinderpest,
7 contagious pleuropneumonia, or other contagious or infectious
8 diseases of animals, or European fowl pest and similar dis-
9 eases in poultry, and for foot-and-mouth disease and rinder-
10 pest programs undertaken pursuant to the provisions of the
11 Act of February 28, 1947, and the Act of May 29, 1884,
12 as amended (7 U.S.C. 391; 21 U.S.C. 111-122), including
13 expenses in accordance with section 2 of said Act of Febru-
14 ary 28, 1947, the Secretary may transfer from other ap-
15 propriations or funds available to the bureaus, corporations,
16 or agencies of the Department such sums as he may deem
17 necessary, to be available only in an emergency which
18 threatens the livestock or poultry industry of the country,
19 and any unexpended balances of funds transferred under
20 this head in the next preceding fiscal year shall be merged
21 with such transferred amounts: *Provided*, That this appropri-
22 ation shall be subject to applicable provisions contained in the
23 item "Salaries and expenses, Agricultural Research Service",

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), \$54,220,000; and payments and contracts for such work under section 204 (b) -205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000; in all, \$55,715,000: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year: *Provided further*, That all of the additional funds provided herein shall be used to meet expenses at the county level.

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, \$5,875,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$2,490,000.

Federal Extension Service: For administration of the

1 Smith-Lever Act, as amended by the Act of June 26, 1953
2 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7
3 U.S.C. 347a), and extension aspects of the Agricultural
4 Marketing Act of 1946 (7 U.S.C. 1621-1627), and to
5 coordinate and provide program leadership for the exten-
6 sion work of the Department and the several States
7 and insular possessions, \$2,255,000.

8 FARMER COOPERATIVE SERVICE

9 SALARIES AND EXPENSES

10 For necessary expenses to carry out the Act of July 2,
11 1926 (7 U.S.C. 451-457), \$620,000.

12 SOIL CONSERVATION SERVICE

13 CONSERVATION OPERATIONS

14 For necessary expenses for carrying out the provisions
15 of the Act of April 27, 1935 (16 U.S.C. 590a-590f), in-
16 cluding preparation of conservation plans and establishment
17 of measures to conserve soil and water (including farm
18 irrigation and land drainage and such special measures as
19 may be necessary to prevent floods and the siltation of
20 reservoirs); operation of conservation nurseries; classifica-
21 tion and mapping of soils; dissemination of information;
22 purchase and erection or alteration of permanent buildings;
23 and operation and maintenance of aircraft, \$83,132,000:
24 *Provided*, That the cost of any permanent building pur-
25 chased, erected, or as improved, exclusive of the cost

1 of constructing a water supply or sanitary system and
2 connecting the same to any such building and with the ex-
3 ception of buildings acquired in conjunction with land being
4 purchased for other purposes, shall not exceed \$2,500, ex-
5 cept for eight buildings to be constructed or improved at a
6 cost not to exceed \$15,000 per building and except that
7 alterations or improvements to other existing permanent
8 buildings costing \$2,500 or more may be made in any fiscal
9 year in an amount not to exceed \$500 per building: *Pro-*
10 *vided further*, That no part of this appropriation shall be
11 available for the construction of any such building on land
12 not owned by the Government: *Provided further*, That
13 no part of this appropriation may be expended for soil and
14 water conservation operations under the Act of April 27,
15 1935 (16 U.S.C. 590a-590f), in demonstration projects:
16 *Provided further*, That not to exceed \$5,000 may be used
17 for employment pursuant to the second sentence of section
18 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
19 amended by section 15 of the Act of August 2, 1946 (5
20 U.S.C. 55a) : *Provided further*, That qualified local engi-
21 neers may be temporarily employed at per diem rates to
22 perform the technical planning work of the service: *Pro-*
23 *vided further*, That not to exceed \$600,000 of the amount
24 appropriated under this head for fiscal year 1960 may be

used to employ conservation aides and other nonprofessional personnel on a part-time or contract basis, and the amount so used may be transferred to and merged with this appropriation.

5 WATERSHED PROTECTION

6 For expenses necessary to conduct surveys, investiga-
7 tions, and research and to carry out preventive measures,
8 including, but not limited to, engineering operations, meth-
9 ods of cultivation, the growing of vegetation, and changes in
10 use of land, in accordance with the Watershed Protection
11 and Flood Prevention Act, approved August 4, 1954, as
12 amended (16 U.S.C. 1001-1008), and the provisions of
13 the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain
14 available until expended, \$32,000,000, with which shall be
15 merged the unexpended balances of funds heretofore appro-
16 priated or transferred to the Department for watershed pro-
17 tection purposes: *Provided*, That not to exceed \$100,000
18 may be used for employment pursuant to the second sentence
19 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
20 574), as amended by section 15 of the Act of August 2,
21 1946 (5 U.S.C. 55a).

22 FLOOD PREVENTION

23 For expenses necessary, in accordance with the Flood
24 Control Act, approved June 22, 1936 (33 U.S.C. 701-

1 709), as amended and supplemented, and the Watershed
2 Protection and Flood Prevention Act, approved August 4,
3 1954, as amended (16 U.S.C. 1001-1008, Stat.),
4 and in accordance with the provisions of laws relating to the
5 activities of the Department, to perform works of improve-
6 ment, including not to exceed \$100,000 for employment
7 pursuant to the second sentence of section 706(a) of the
8 Organic Act of 1944 (5 U.S.C. 574), as amended by section
9 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain
10 available until expended, \$18,000,000, with which shall
11 be merged the unexpended balances of funds heretofore
12 appropriated or transferred to the Department for flood pre-
13 vention purposes: *Provided*, That no part of such funds shall
14 be used for the purchase of lands in the Yazoo and Little
15 Tallahatchie watersheds without specific approval of the
16 county board of supervisors of the county in which such lands
17 are situated.

18 GREAT PLAINS CONSERVATION PROGRAM

19 For necessary expenses to carry into effect a program
20 of conservation in the Great Plains area, pursuant to section
21 16(b) of the Soil Conservation and Domestic Allotment
22 Act, as added by the Act of August 7, 1956 (16 U.S.C.
23 590p), \$10,000,000, to remain available until expended.

1 AGRICULTURAL CONSERVATION PROGRAM SERVICE

2 AGRICULTURAL CONSERVATION PROGRAM

3 For necessary expenses to carry into effect the pro-
4 gram authorized in sections 7 to 15, 16 (a), and 17 of the
5 Soil Conservation and Domestic Allotment Act, approved
6 February 29, 1936, as amended (16 U.S.C. 590g-590 (o),
7 590p (a), and 590q), including not to exceed \$6,000 for the
8 preparation and display of exhibits, including such displays
9 at State, interstate, and international fairs within the United
10 States, \$242,000,000, to remain available until December 31
11 of the next succeeding fiscal year for compliance with the
12 program of soil-building and soil- and water-conserving
13 practices authorized under this head in the Department of
14 Agriculture and Farm Credit Administration Appropriation
15 Act, 1960, carried out during the period July 1, 1959, to
16 December 31, 1960, inclusive: *Provided*, That not to exceed
17 \$26,832,950 of the total sum provided under this head shall
18 be available during the current fiscal year for administrative
19 expenses for carrying out such program, the cost of aerial
20 photographs, however, not to be charged to such limitation;
21 but not more than \$5,458,900 shall be transferred to the
22 appropriation account "Administrative expenses, section
23 392, Agricultural Adjustment Act of 1938": *Provided fur-*
24 *ther*, That none of the funds herein appropriated shall be used
25 to pay the salaries or expenses of any regional information

1 employees or any State information employees, but this shall
2 not preclude the answering of inquiries or supplying of in-
3 formation at the county level to individual farmers: *Pro-*
4 *vided further*, That such amounts shall be available for ad-
5 ministrative expenses in connection with the formulation and
6 administration of the 1961 program of soil-building and
7 soil- and water-conserving practices, under the Act of
8 February 29, 1936, as amended (amounting to \$250,000,-
9 000, including administration, and no participant shall re-
10 ceive more than \$2,500, except where the participants from
11 two or more farms or ranches join to carry out approved
12 practices designed to conserve or improve the agricultural
13 resources of the community): *Provided further*, That no
14 change shall be made in such 1961 program which will have
15 the effect in any county of restricting eligibility requirements
16 or cost-sharing on practices included in either the 1958 or
17 the 1959 programs, unless such change shall have been
18 recommended by the county committee and approved by the
19 State committee: *Provided further*, That the proportion of
20 the State fund initially allocated to any county for the 1961
21 program shall not be reduced from the distribution of such
22 funds for the 1959 program year: *Provided further*, That
23 not to exceed 5 per centum of the allocation for the 1961
24 agricultural conservation program for any county may,
25 on the recommendation of such county committee and

1 approval of the State committee, be withheld and
2 allotted to the Soil Conservation Service for services of its
3 technicians in formulating and carrying out the agricultural
4 conservation program in the participating counties, and shall
5 not be utilized by the Soil Conservation Service for any pur-
6 pose other than technical and other assistance in such
7 counties, and in addition, on the recommendation of such
8 county committee and approval of the State committee, not
9 to exceed 1 per centum may be made available to any other
10 Federal, State, or local public agency for the same purpose
11 and under the same conditions: *Provided further*, That for
12 the 1961 program \$2,500,000 shall be available for
13 technical assistance in formulating and carrying out agricul-
14 tural conservation practices and \$1,000,000 shall be avail-
15 able for conservation practices related directly to flood pre-
16 vention work in approved watersheds: *Provided further*,
17 That such amounts shall be available for the purchase of
18 seeds, fertilizers, lime, trees, or any other farming material.
19 or any soil-terracing services, and making grants thereof to
20 agricultural producers to aid them in carrying out farming
21 practices approved by the Secretary under programs provided
22 for herein: *Provided further*, That no part of any funds
23 available to the Department, or any bureau, office, corpora-
24 tion, or other agency constituting a part of such Department,
25 shall be used in the current fiscal year for the payment of

1 salary or travel expenses of any person who has been con-
2 victed of violating the Act entitled "An Act to prevent
3 pernicious political activities", approved August 2, 1939, as
4 amended, or who has been found in accordance with the pro-
5 visions of title 18, United States Code, section 1913, to have
6 violated or attempted to violate such section which prohibits
7 the use of Federal appropriations for the payment of personal
8 services or other expenses designed to influence in any man-
9 ner a Member of Congress to favor or oppose any legislation
10 or appropriation by Congress except upon request of any
11 Member or through the proper official channels.

12 AGRICULTURAL MARKETING SERVICE

13 MARKETING RESEARCH AND SERVICE

14 For expenses necessary to carry on research and service
15 to improve and develop marketing and distribution relating
16 to agriculture as authorized by the Agricultural Marketing
17 Act of 1946 (7 U.S.C. 1621-1627) and other laws, includ-
18 ing the administration of marketing regulatory acts connected
19 therewith: *Provided*, That appropriations hereunder shall
20 be available pursuant to 5 U.S.C. 565a for the construction,
21 alteration, and repair of buildings and improvements, but
22 unless otherwise provided, the cost of erecting any one build-
23 ing shall not exceed \$15,000, except for two buildings to
24 be constructed or improved at a cost not to exceed \$30,000
25 each, and the cost of altering any one building during the

1 fiscal year shall not exceed \$5,000 or 5 per centum of the
2 cost of the building, whichever is greater:

3 Marketing research and agricultural estimates: For
4 research and development relating to agricultural marketing
5 and distribution, for analyses relating to farm prices, income
6 and population, and demand for farm products, and for crop
7 and livestock estimates, \$16,315,000: *Provided*, That not
8 less than \$350,000 of the funds contained in this appro-
9 priation shall be available to continue to gather statistics
10 and conduct a special study on the price spread between
11 the farmer and the consumer: *Provided further*, That no
12 part of the funds herein appropriated shall be available for
13 any expense incident to publishing estimates of apple pro-
14 duction for other than the commercial crop.

15 PAYMENTS TO STATES AND POSSESSIONS

16 For payments to departments of agriculture, bureaus and
17 departments of markets, and similar agencies for marketing
18 activities under section 204 (b) of the Agricultural Market-
19 ing Act of 1946 (7 U.S.C. 1623 (b)), \$1,195,000.

20 SCHOOL LUNCH PROGRAM

21 For necessary expenses to carry out the provisions of
22 the National School Lunch Act (42 U.S.C. 1751-1760),
23 \$110,000,000: *Provided*, That no part of this appropriation
24 shall be used for nonfood assistance under section 5 of said

1 Act: *Provided further*, That \$45,000,000 shall be trans-
2 ferred to this appropriation from funds available under sec-
3 tion 32 of the Act of August 24, 1935, for purchase and
4 distribution of agricultural commodities and other foods
5 pursuant to section 6 of the National School Lunch Act.

6 FOREIGN AGRICULTURAL SERVICE

7 SALARIES AND EXPENSES

8 For necessary expenses for the Foreign Agricultural
9 Service, including carrying out title VI of the Agricultural
10 Act of 1954 (7 U.S.C. 1761-1768), and for enabling the
11 Secretary to coordinate and integrate activities of the Depart-
12 ment in connection with foreign agricultural work, including
13 not to exceed \$25,000 for representation allowances and for
14 expenses pursuant to section 8 of the Act approved
15 August 3, 1956 (7 U.S.C. 1766), \$4,447,000: *Provided*,
16 That not less than \$400,000 of the funds contained in
17 this appropriation shall be available to obtain statistics
18 and related facts on foreign production and full and
19 complete information on methods used by other countries
20 to move farm commodities in world trade on a competitive
21 basis: *Provided further*, That, in addition, not to exceed
22 \$2,493,000 of the funds appropriated by section 32 of the
23 Act of August 24, 1935, as amended (7 U.S.C. 612c),

1 shall be merged with this appropriation and shall be avail-
2 able for all expenses of the Foreign Agricultural Service
3 in carrying out the purposes of said section 32.

4 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY
5 PROGRAM)

6 For purchase of foreign currencies which accrue under
7 title I of the Agricultural Trade Development and Assistance
8 Act of 1954, as amended (7 U.S.C. 1704), for the purposes
9 of market development activities under section 104 (a) of
10 that Act, \$13,621,000, and for the purposes of section 104
11 (m) of that Act, relating to agricultural and horticultural
12 fair participation and related activities, \$1,000,000, to re-
13 main available until expended: *Provided*, That the dollar
14 value of the unexpended balances, as of June 30, 1960, of
15 allocations of foreign currencies heretofore made available
16 to the Foreign Agricultural Service for the foregoing pur-
17 poses of such sections 104 (a) and (m) is appropriated as
18 of that date and shall be merged with this appropriation:
19 *Provided further*, That funds appropriated herein shall be
20 used to purchase such foreign currencies as the Department
21 determines are needed and can be used most effectively to
22 carry out the purposes of this paragraph, and such foreign
23 currencies shall, pursuant to the provisions of section
24 104 (a), be set aside for sale to the Department before for-

1 eign currencies which accrue under said title I are made
2 available for other United States uses.

3 COMMODITY EXCHANGE AUTHORITY

4 SALARIES AND EXPENSES

5 For necessary expenses to carry into effect the provisions
6 of the Commodity Exchange Act, as amended (7 U.S.C.
7 1-17a), \$930,000.

8 COMMODITY STABILIZATION SERVICE

9 ACREAGE ALLOTMENTS AND MARKETING QUOTAS

10 For necessary expenses to formulate and carry out
11 acreage allotment and marketing quota programs pursuant to
12 provisions of title III of the Agricultural Adjustment Act
13 of 1938, as amended (7 U.S.C. 1301-1393), \$40,135,000,
14 of which not more than \$6,934,400 shall be transferred to
15 the appropriation account "Administrative expenses, section
16 392, Agricultural Adjustment Act of 1938".

17 SUGAR ACT PROGRAM

18 For necessary expenses to carry into effect the provi-
19 sions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
20 \$74,500,000, to remain available until June 30 of the next
21 succeeding fiscal year: *Provided*, That expenditures (includ-
22 ing transfers) from this appropriation for other than pay-
23 ments to sugar producers shall not exceed \$2,307,000.

1 CONSERVATION RESERVE PROGRAM

2 For necessary expenses to carry out a conservation re-
3 serve program as authorized by subtitles B and C of the Soil
4 Bank Act (7 U.S.C. 1831-1837 and 1802-1814), and to
5 carry out liquidation activities for the acreage reserve pro-
6 gram, to remain available until expended, \$310,000,000,
7 with which may be merged the unexpended balances of
8 funds heretofore appropriated for soil bank programs: *Pro-*
9 *vided*, That not to exceed \$12,000,000 shall be available
10 for administrative expenses, of which not less than
11 \$10,000,000 may be transferred to the appropriation
12 account "Local administration, section 388, Agricultural
13 Adjustment Act of 1938": *Provided further*, That no part
14 of these funds shall be paid on any contract which is illegal
15 under the law due to the division of lands for the purpose
16 of evading limits on annual payments to participants.

17 FEDERAL CROP INSURANCE CORPORATION

18 OPERATING AND ADMINISTRATIVE EXPENSES

19 For operating and administrative expenses, \$6,376,000.

20 RURAL ELECTRIFICATION ADMINISTRATION

21 To carry into effect the provisions of the Rural Electri-
22 fication Act of 1936, as amended (7 U.S.C. 901-924), as
23 follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, as follows: Rural electrification program, \$110,000,000; and rural telephone program, \$80,000,000; and additional amounts, not to exceed \$50,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1961 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$9,632,000.

FARMERS HOME ADMINISTRATION

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm

1 Tenant Act, as amended (7 U.S.C. 1000-1031) ; the
 2 Farmers Home Administration Act of 1946 (7 U.S.C. 1001,
 3 note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535;
 4 60 Stat. 1062-1080) ; the Act of July 30, 1946 (40 U.S.C.
 5 436-439) ; the Act of August 28, 1937, as amended (16
 6 U.S.C. 590r-590x-3) , for the development of facilities for
 7 water storage and utilization in the arid and semiarid areas
 8 of the United States; the provisions of title V of the Hous-
 9 ing Act of 1949, as amended (42 U.S.C. 1471-1483) ,
 10 relating to financial assistance for farm housing; the Rural
 11 Rehabilitation Corporation Trust Liquidation Act, approved
 12 May 3, 1950 (40 U.S.C. 440-444) ; the items "Loans to
 13 farmers, 1948 flood damage" in the Act of June 25, 1948
 14 (62 Stat. 1038) , and "Loans to farmers, property damage"
 15 in the Act of May 24, 1949 (63 Stat. 82) ; the collecting
 16 and servicing of credit sales and development accounts in
 17 water conservation and utilization projects (53 Stat. 685,
 18 719) , as amended and supplemented (16 U.S.C. 590y, z-1
 19 and z-10) ; and the Act to direct the Secretary of Agricul-
 20 ture to convey certain mineral interests, approved September
 21 6, 1950 (7 U.S.C. 1033-1039) , as follows:

22

LOAN AUTHORIZATIONS

23

24

For loans (including payments in lieu of taxes and taxes
 under section 50 of the Bankhead-Jones Farm Tenant Act,

1 as amended, and advances incident to the acquisition and
2 preservation of security of obligations under the foregoing
3 several authorities, except that such advances under title V
4 of the Housing Act of 1949, as amended, shall be made from
5 funds obtained under section 511 of that Act, as amended) :
6 Title I and section 43 of title IV of the Bankhead-Jones
7 Farm Tenant Act, as amended, \$26,900,000, of which not
8 to exceed \$2,500,000 may be distributed to States and
9 territories without regard to farm population and prevalence
10 of tenancy, in addition to the amount otherwise distributed
11 thereto, for loans in reclamation projects and to entrymen
12 on unpatented public lands; title II of the Bankhead-Jones
13 Farm Tenant Act, as amended, \$197,100,000; the Act of
14 August 28, 1937, as amended, \$3,000,000: *Provided*,
15 That not to exceed the foregoing several amounts shall be
16 borrowed in one account from the Secretary of the Treasury
17 in accordance with the provisions set forth under this head
18 in the Department of Agriculture Appropriation Act, 1952:
19 *Provided further*, That an additional amount, not to exceed
20 \$40,000,000, may be borrowed under the same terms and
21 conditions to the extent that such amount is required during
22 fiscal year 1961 under the then existing conditions for the
23 expeditious and orderly conduct of the loan programs under
24 the Bankhead-Jones Farm Tenant Act, as amended, not to

1 exceed \$5,000,000 of which shall be available for loans
2 under title I and section 43 of title IV of such Act, as
3 amended.

4 SALARIES AND EXPENSES

5 For making, servicing, and collecting loans and insured
6 mortgages, the servicing and collecting of loans made under
7 prior authority, the liquidation of assets transferred to Farm-
8 ers Home Administration, and other administrative expenses,
9 \$30,500,000, together with a transfer of not to exceed
10 \$1,000,000 of the fees and administrative expense charges
11 made available by subsections (d) and (e) of section 12
12 of the Bankhead-Jones Farm Tenant Act, as amended
13 (7 U.S.C. 1005 (b)), and section 10 (c) of the Act of
14 August 28, 1937, as amended.

15 OFFICE OF THE GENERAL COUNSEL

16 SALARIES AND EXPENSES

17 For necessary expenses, including payment of fees or
18 dues for the use of law libraries by attorneys in the field
19 service, \$3,358,000.

20 OFFICE OF THE SECRETARY

21 SALARIES AND EXPENSES

22 For expenses of the Office of the Secretary of Agricul-
23 ture; expenses of the National Agricultural Advisory Com-
24 mission; stationery, supplies, materials, and equipment;
25 freight, express, and drayage charges; advertising of bids,

1 communication service, postage, washing towels, repairs and
2 alterations, and other miscellaneous supplies and expenses not
3 otherwise provided for and necessary for the practical and
4 efficient work of the Department of Agriculture, \$2,899,500:
5 *Provided*, That this appropriation shall be reimbursed from
6 applicable appropriations for travel expenses incident to the
7 holding of hearings as required by the Administrative
8 Procedure Act (5 U.S.C. 1001).

9 OFFICE OF INFORMATION

10 SALARIES AND EXPENSES

11 For necessary expenses of the Office of Information for
12 the dissemination of agricultural information and the coordi-
13 nation of informational work and programs authorized by
14 Congress in the Department, \$1,478,000, of which total
15 appropriation not to exceed \$537,000 may be used for
16 farmers' bulletins, which shall be adapted to the inter-
17 ests of the people of the different sections of the country,
18 an equal proportion of four-fifths of which shall be delivered
19 to or sent out under the addressed franks furnished by the
20 Senators, Representatives, and Delegates in Congress, as
21 they shall direct (7 U.S.C. 417), and not less than one
22 hundred and fifty-one thousand copies for the use of the
23 Senate and House of Representatives of part 2 of the
24 annual report of the Secretary (known as the Yearbook
25 of Agriculture) as authorized by section 73 of the Act of

1 January 12, 1895 (44 U.S.C. 241), and for reprinting
2 the 1959 yearbook "Food" for the use of the Senate and
3 House of Representatives, respectively, of one hundred and
4 sixteen thousand five hundred and twenty-five copies (for
5 which not to exceed \$90,000 shall be available) : *Provided*,
6 That in the preparation of motion pictures or exhibits by
7 the Department, not exceeding a total of \$10,000 may be
8 used for employment pursuant to the second sentence of
9 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
10 as amended by section 15 of the Act of August 2, 1946
11 (5 U.S.C. 55a).

12 LIBRARY

13 SALARIES AND EXPENSES

14 For necessary expenses, including dues for library mem-
15 bership in societies or associations which issue publications
16 to members only or at a price to members lower than to sub-
17 scribers who are not members, \$895,000.

18 TITLE II—CORPORATIONS

19 The following corporations and agencies are hereby
20 authorized to make such expenditures, within the limits of
21 funds and borrowing authority available to each such corpo-
22 ration or agency and in accord with law, and to make such
23 contracts and commitments without regard to fiscal year
24 limitations as provided by section 104 of the Government
25 Corporation Control Act, as amended, as may be necessary

1 in carrying out the programs set forth in the budget for the
2 fiscal year 1961 for such corporation or agency, except as
3 hereinafter provided:

4 FEDERAL CROP INSURANCE CORPORATION FUND

5 Not to exceed \$2,630,000 of administrative and
6 operating expenses may be paid from premium income.

7 COMMODITY CREDIT CORPORATION

8 RESTORATION OF CAPITAL IMPAIRMENT

9 To partially restore the capital impairment of the Com-
10 modity Credit Corporation determined by the appraisals
11 of June 30, 1959, and June 30, 1960, pursuant to section 1
12 of the Act of March 8, 1938, as amended (15 U.S.C.
13 713a-1), \$1,226,500,000.

14 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION

15 FOR COSTS OF SPECIAL ACTIVITIES

16 To reimburse the Commodity Credit Corporation for
17 authorized unrecovered costs through June 30, 1960
18 (including interest through date of recovery), as follows:
19 (1) \$32,572,000 under the International Wheat Agree-
20 ment Act of 1949, as amended (7 U.S.C. 1641-1642);
21 (2) \$107,094,000 for commodities disposed of for emer-
22 gency famine relief to friendly peoples pursuant to title II
23 of the Act of July 10, 1954, as amended (7 U.S.C. 1703,
24 1721-1724); (3) \$881,000,000 for the sale of surplus
25 agricultural commodities for foreign currencies pursuant to

1 title I of the Act of July 10, 1954, as amended (7 U.S.C.
2 1701-1709) ; (4) \$18,000 for grain made available to the
3 Secretary of the Interior to prevent crop damage by migra-
4 tory waterfowl pursuant to the Act of July 3, 1956
5 (7 U.S.C. 442-446) ; (5) \$422,950,000 for strategic and
6 other materials acquired by the Commodity Credit Corpo-
7 ration as a result of barter or exchange of agricultural com-
8 modities or products and transferred to the supplemental
9 stockpile pursuant to Public Law 540, Eighty-fourth Con-
10 gress (7 U.S.C. 1856) : *Provided*, That the unexpended
11 balances of funds heretofore provided for the various pur-
12 poses under this head may remain available until expended
13 for the purposes for which appropriated and may be merged
14 with the funds provided in this paragraph.

15 LIMITATION ON ADMINISTRATIVE EXPENSES

16 Nothing in this Act shall be so construed as to prevent
17 the Commodity Credit Corporation from carrying out any
18 activity or any program authorized by law: *Provided*,
19 That not to exceed \$44,726,000 shall be available
20 for administrative expenses of the Corporation: *Provided*
21 *further*, That \$1,000,000 of this authorization shall be avail-
22 able only to expand and strengthen the sales program of
23 the Corporation pursuant to authority contained in the Cor-
24 poration's charter: *Provided further*, That not less than 7
25 per centum of this authorization shall be placed in reserve to

1 be apportioned pursuant to section 3679 of the Revised
2 Statutes, as amended, for use only in such amounts and at
3 such time as may become necessary to carry out program
4 operations: *Provided further*, That all necessary expenses
5 (including legal and special services performed on a con-
6 tract or fee basis, but not including other personal services)
7 in connection with the acquisition, operation, maintenance,
8 improvement, or disposition of any real or personal prop-
9 erty belonging to the Corporation or in which it has an
10 interest, including expenses of collections of pledged col-
11 lateral, shall be considered as nonadministrative expenses for
12 the purposes hereof: *Provided further*, (1) That no part of
13 this authorization shall be used to formulate or carry out
14 a price-support program for 1960 under which a total amount
15 of price support in excess of \$50,000 would be extended
16 through loans, purchases, or purchase agreements made or
17 made available by Commodity Credit Corporation to any
18 person on the 1960 production of any agricultural com-
19 modity declared by the Secretary to be in surplus supply,
20 unless (a) such person shall reduce his production of such
21 commodity from that which such person produced the pre-
22 ceding year, in such percentage, not to exceed 20 per centum,
23 as the Secretary may determine to be essential to bring pro-
24 duction in line within a reasonable period of time with that
25 necessary to provide an adequate supply to meet domestic

1 and foreign demands, plus adequate reserves, or (b) such
2 person shall agree to repay all amounts advanced in excess
3 of \$50,000 for any agricultural commodity within twelve
4 months from the date of the advance of such funds or at such
5 later date as the Secretary may determine, (2) that the term
6 "person" shall mean an individual, partnership, firm, joint-
7 stock company, corporation, association, trust, estate, or
8 other legal entity, or a State, political subdivision of a State,
9 or any agency thereof, (3) that in the case of any loan to, or
10 purchase from, a cooperative marketing organization, or
11 with regard to price support on an agricultural commodity
12 extended by purchases of a product of such commodity from,
13 or by loans on such product to, persons other than the pro-
14 ducers of such commodity, such limitation shall not apply to
15 the amount of price support received by the cooperative
16 marketing organization, or other persons, but the amount of
17 price support made available to any person through such co-
18 operative marketing organization or other persons shall be
19 included in determining the amount of price support received
20 by such person for purposes of such limitation, and (4) that
21 the Secretary of Agriculture shall issue regulations prescrib-
22 ing such rules as he determines necessary to carry out this
23 provision: *Provided further*, That none of the funds herein
24 appropriated shall be used to formulate or administer any pro-
25 gram which does not provide for maximum use of Govern-

1 ment-owned facilities for storing surplus commodities, con-
2 sistent with the economical operation of the Corporation.

3 TITLE III—RELATED AGENCIES

4 FARM CREDIT ADMINISTRATION

5 LIMITATION ON ADMINISTRATIVE EXPENSES

6 Not to exceed \$2,480,000 (from assessments collected
7 from farm credit agencies) shall be obligated during the
8 current fiscal year for administrative expenses.

9 FEDERAL FARM MORTGAGE CORPORATION FUND

10 The Federal Farm Mortgage Corporation is authorized
11 to make such expenditures, within available funds and in
12 accordance with law, as may be necessary to liquidate its
13 assets: *Provided*, That funds realized from the liquidation of
14 assets which are determined by the Board of Directors to
15 be in excess of the requirements for expenses of liquidation
16 shall be declared as dividends which shall be paid into the
17 general fund of the Treasury.

18 TITLE IV—GENERAL PROVISIONS

19 SEC. 401. Within the unit limit of cost fixed by law, ap-
20 propriations and authorizations made for the Department
21 under this Act shall be available for the purchase, in addition
22 to those specifically provided for, of not to exceed three
23 hundred and thirty-seven passenger motor vehicles, of which
24 three hundred and thirty-two shall be for replacement only,
25 and for the hire of such vehicles.

1 SEC. 402. Provisions of law prohibiting or restricting
2 the employment of aliens shall not apply to employment
3 under the appropriation for the Foreign Agricultural Service.

4 SEC. 403. Funds available to the Department of Agri-
5 culture shall be available for uniforms or allowances therefor
6 as authorized by the Act of September 1, 1954, as amended
7 (5 U.S.C. 2131).

8 SEC. 404. No part of the funds appropriated by this Act
9 shall be used for the payment of any officer or employee of
10 the Department who, as such officer or employee, or on be-
11 half of the Department or any division, commission, or
12 bureau thereof, issues, or causes to be issued, any prediction,
13 oral or written, or forecast, except as to damage threatened
14 or caused by insects and pests, with respect to future prices
15 of cotton or the trend of same.

16 SEC. 405. Except to provide materials required in or
17 incident to research or experimental work where no suitable
18 domestic product is available, no part of the funds appropri-
19 ated by this Act shall be expended in the purchase of twine
20 manufactured from commodities or materials produced out-
21 side of the United States.

22 SEC. 406. Not less than \$1,500,000 of the appropriations
23 of the Department for research and service work authorized
24 by the Acts of August 14, 1946, July 28, 1954, and Sep-
25 tember 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat. 1793),

1 shall be available for contracting in accordance with said
2 Acts.

3 SEC. 407. No part of any appropriation contained in
4 this Act or of the funds available for expenditure by any cor-
5 poration or agency included in this Act shall be used for pub-
6 licity or propaganda purposes to support or defeat legislation
7 pending before the Congress.

8 This Act may be cited as the "Department of Agricul-
9 ture and Farm Credit Administration Appropriation Act,
10 1961".

Passed the House of Representatives May 11, 1960.

Attest:

RALPH R. ROBERTS,

Clerk.

86TH CONGRESS
2D SESSION

H. R. 12117

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

MAY 12, 1960

Read twice and referred to the Committee on Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued May 18, 1960
For actions of May 17, 1960
86th-2d, No. 90

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HIGHLIGHTS: Senate subcommittee approved agricultural appropriation bill. House debated legislative branch appropriation bill. Rep. Burdick criticized soil bank program. Sen. Johnston introduced and discussed bill to provide nutritional enrichment of rice distributed by Federal Government.

SENATE

AGRICULTURAL APPROPRIATION BILL, 1961. The "Daily Digest" states that the Appropriations Subcommittee marked up and approved with amendments for full committee consideration this bill, H. R. 12117. p. D423

2. DEPRESSED AREAS. Sen. Thurmond commended the President's veto of S. 722, the depressed areas bill, contended that the bill "is an effort by the Congress to substitute its judgment for that of the industries which had either chosen not to locate in areas in which it was found uneconomical to operate, reduced their operations in such areas, or removed their plants to areas where a more favorable economic climate existed," and expressed hope that any effort to override the veto would be defeated. p. 9695
3. LIBRARY SERVICES. Sen. Moss urged enactment of legislation to extend the Library Services Act for five years, stated that the benefits of the program "have flowed into rural America in all sections of the country," and reviewed the accomplishments of the program in Utah. p. 9665

HOUSE

4. LEGISLATIVE APPROPRIATION BILL, 1961. Began debate on this bill, H. R. 12232. At the request of Rep. Albert, deferred further action until Thurs., May 19. pp. 9702-7
5. RECLAMATION. Began debate on H. R. 7155, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, Calif., to enter into an agreement with respect to the construction and operation of such unit (pp. 9707-29). Reps. Smith and Sisk discussed amending the bill to prohibit the growing of crops in surplus supply (pp. 9710-11).
Received from the Interior Department a report that adequate soil survey and land classification necessary for formulation of a definite project plan has been completed on the East Bench unit, Missouri River Basin project, Mont. p. 9739
6. MILK SANITATION. Rep. Johnson, Wis., urged support for his bill to place the responsibility for establishing and administering a Federal milk sanitation code in the Surgeon General and gave his answer to the "16 objections to the legislation ... mentioned most frequently." pp. 9729-31
7. FAIR TRADE. Rep. Harris urged Congressmen to sign a discharge petition for consideration of H. R. 1253, to amend the Federal Trade Commission Act so as to equalize rights in the distribution of merchandise identified by a trade-mark, brand, or trade name. p. 9732
8. FARM PROGRAM. Rep. Andersen, Minn., urged support of his proposed "green acres" farm program, which would combine reduced acreage with a payment-in-kind program. pp. 9734-5
9. SOIL BANK. Rep. Burdick criticized the soil bank program, claiming it is "systematically destroying the fabric of North Dakota's small community life." He said farmers, rather than placing a part of their land in soil bank, "find it easier to retire all of their crop land and move into town" thereby continuing "his income from his land without any of the headaches of active farming or private renting." pp. 9738-9
10. LANDS. The Public Works Committee voted to report (but did not actually report) H. R. 11522, to permit Government agencies to sell or transfer real property to States, municipalities, and other political subdivisions for road purposes. p. D426

ITEMS IN APPENDIX

11. SUGAR. Extension of remarks of Sen. Fong inserting 3 editorials and stating that they stress the "tremendous importance of sugar to Hawaii's economy and the need for action on legislation which would extend the Sugar Act." p. A4175
12. DEPRESSED AREAS. Sen. Randolph inserted an editor's letter to the President urging approval of depressed areas legislation and a statement by AFL-CIO terming the President's veto as "shameful." pp. A4178-9
Extension of remarks of Rep. Widnall urging Congress "to get busy and pass a good depressed areas bill." p. A4180

Digest of CONGRESSIONAL PROCEEDINGS

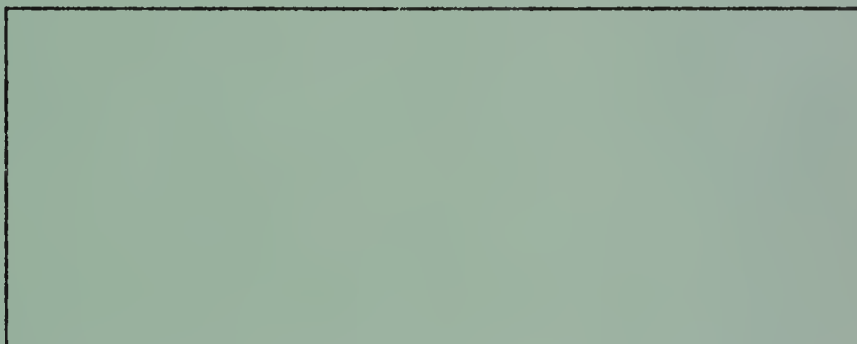
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued
For actions of

May 23, 1960
May 20, 1960
86th-2d, No. 92A



SENATE

AGRICULTURAL APPROPRIATION BILL, 1961. The Appropriations Committee reported with amendments this bill, H. R. 12117 (S. Rept. 1404). Attached is a copy of the committee report, which explains the committee actions.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION
APPROPRIATION BILL, 1961

MAY 20, 1960.—Ordered to be printed

Mr. RUSSELL, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H.R. 12117]

The Committee on Appropriations, to whom was referred the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House (direct appropriations).....	\$3, 937, 943, 500
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Amount of increase by Senate committee (net).....	62, 279, 183
---	--------------

Amount of bill as reported to Senate.....	4, 000, 222, 683
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Amount of appropriations, 1960.....	4, 665, 643, 551
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Amount of estimates for 1961.....	4, 135, 263, 190
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The bill as reported to the Senate:

Under the appropriations for 1960.....	665, 420, 868
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Under the estimates for 1961.....	135, 040, 507
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GENERAL STATEMENT

The Senate committee bill is in the amount of \$4,000,222,683, a net increase of \$62,279,183 over the House bill, and \$135,040,507 under the budget estimates.

The bill includes \$1,330,088,683 for regular activities and \$2,670,134,000 for restoration of capital impairment of and reimbursements to the Commodity Credit Corporation. The bill is \$665,420,868 under the appropriations for fiscal 1960. This is largely due to a smaller amount requested for restoration of CCC capital impairment for this bill than was appropriated in fiscal 1960.

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

RESEARCH

An appropriation of \$70,247,600 is recommended for research, which is an increase of \$2,313,600 over the House and \$1,265,900 over the budget estimate. The committee concurs in the House action regarding the proposed redirection of research submitted in the budget, amounting to \$700,000. It directs that \$200,000 of the proposed amount be absorbed and none of the existing locations be closed as was proposed in the President's budget.

The committee has carefully considered the increases proposed for research items included in the budget, and recommends the following appropriations for them: The Budget proposed an increase of \$1,502,800 to accelerate research to avoid pesticide residues on agricultural crops and livestock. The committee recommends the full amount which is an increase of \$1,252,800 over the House. The committee proposes \$1,200,000 for utilization research, which is an increase of \$500,000 over the House.

ADDITIONAL RESEARCH NEEDS

During the course of hearings, Members of Congress and public witnesses made a number of meritorious proposals for increased research on various subjects. The committee carefully examined each proposal and recommends the following increases, for which it believes there is urgent need:

(1) Increase of \$545,000 over the amount of the House bill for cotton boll weevil research. Of this amount \$145,000 is proposed for providing initial staffing and preparation of the cotton insects laboratory authorized last year and \$400,000 for stepping up research at the branch insect laboratories at Baton Rouge, La., College Station, Tex., and Florence, S.C.

(2) An increase of \$100,000 for initial staffing at the two corn insect research laboratories authorized in last year's bill.

(3) An increase of \$500,000 for strengthening research on vegetable crops in various parts of the country, of which \$75,000 is to be used at the Coastal Plains Station.

(4) An increase of \$100,000 for research at Newell, S. Dak.

(5) An increase of \$20,000 for accelerating the grass weed research investigations underway at Houma, La.

(6) An increase of \$25,000 to step up the research on insect control work in pecans.

(7) An increase of \$25,000 for research studies on salt cedars and other phreatophytes. The committee directs the Department to report to it on the research needs concerning this problem, and recommends that additional funds be included in next year's budget based upon such needs.

The committee is impressed with the potential opportunity to reduce farm production costs through the improvement of weed control methods. Losses from weeds are one of the major costs of agricultural production. The control of weeds is the greatest single obstacle to mechanization of production in most crops.

Because farmers can derive considerable savings from the development of improved weed control materials and practices for use in cotton and other field crops, horticultural crops, and pastures, the committee directs the Department to make a study to determine the need for such measures, including a regional laboratory or other facilities whereby basic weed control research could be speeded up, and to report to the committee not later than February 1, 1961.

(8) An increase of \$75,000 for research on poultry diseases in cooperation with the University of Georgia.

The committee has been advised of the heavy losses to livestock producers in the Southwest caused by the screwworm. The committee requests the Department to investigate the feasibility of developing an eradication program, and to report to the committee on the feasibility and requirements for such a program.

SOIL AND WATER RESEARCH AND FACILITY NEEDS

Two years ago the committee received a number of proposals for the construction of research facilities for soil and water conservation research. In the report accompanying the 1959 agricultural bill the committee requested the Department to examine into this subject and report to the committee regarding existing research facilities, expenditures, and additional requirements with the priority in which research should be accelerated. The Department's stated policy is to bring existing facilities to full operating level, including necessary capital construction and improvements prior to the establishment of new research centers. The committee agrees that this is a reasonable method to be followed in strengthening soil and water research. The House bill proposes an increase of \$325,000 for operating funds for soil and water research, and the committee has increased this by \$170,800, thereby providing a total increase of \$495,800 for the research stations which were strengthened last year, and this amount will bring these facilities to full operating level. Within this amount, \$40,000 is provided for the Humboldt River watershed study to match the equal contribution by the State of Nevada.

The committee has stricken the building limitation inserted by the House and inserted in the bill a head entitled, "Construction of Facilities," as proposed in the budget. Under this item the committee recommends an appropriation of \$200,000 for the development of plans and specifications for needed construction at existing

soil and water research facilities. This sum will enable the Department to proceed with the necessary planning prior to the submission of the budget estimate to cover the cost of required construction at the next four locations in order of priority.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

The committee recommends an appropriation of \$52,236,000 for the Federal share in carrying out several regulatory and cooperative control programs financed under this item.

The proposed amount is \$3,460,400 over the estimate and \$225,000 over the House bill.

The committee recommends an increase of \$600,000, over fiscal 1960, for plant quarantine at ports of entry, which is \$95,400 over the estimate and \$200,000 over the House bill.

An increase of \$25,000 for further step-up in the eradication program on sheep scabies is recommended.

For brucellosis eradication the sum of \$19 million for the Federal share is included. The committee continues to support this program.

Last year in the report accompanying the appropriation bill the committee requested the Department to review the contribution from those States that were making such small contributions toward the cost of the program. When the committee examined into this program during the hearings, it was found that overall there was a matching by the States of Federal funds. In several States, however, the State contribution is still very small. In order to correct this situation in these States, a proviso has been inserted in the bill which will exclude them from the program beginning in fiscal 1962 unless they increase their contribution to a minimum of 40 percent of the total cost. The committee commends those States that are making higher contributions, and expects them to continue to do so while the States affected by the language accelerate their efforts.

The committee directs that no funds provided herein are to be used to carry out the fire-ant eradication program in any State which does not provide its share of the financing.

MEAT INSPECTION

An appropriation of \$21,562,000 is recommended for this program, which is the amount requested in the budget estimate and approved by the House. The increase of \$237,100 over the 1960 appropriation is for employee health benefits.

SPECIAL FUND

The committee concurs in the House recommendation to provide \$1 million of unused prior year funds for the employment of labor or subprofessional help at field research stations. This is similar to the fund provided last year by the Congress but not requested in the budget for 1961. The committee has modified the language carried in the House bill to permit the employment of labor and subprofessional personnel by contract or regular appointment.

SALARIES AND EXPENSES

(SPECIAL FOREIGN CURRENCY PROGRAM)

The committee recommends under this head an appropriation of \$15,131,000 to purchase foreign currencies which are generated from sales under title I of Public Law 480. These foreign currencies are used to conduct foreign research for market development and utilization under section 104(a) and for agricultural and forestry research under section 104(k).

Previously, the foreign currencies used for these and other purposes were authorized for use outside the usual appropriation process and control. The committee agrees with the House that one of the primary purposes in the enactment of Public Law 480 was to expand and develop foreign markets for our agricultural products and concurs in the House action which gives the Department first priority over other authorized uses in the acquisition of foreign currencies.

The amount appropriated is the amount of the budget request, and amount approved by the House, and is an increase of \$3,074,500 over funds allocated for this purpose during the current fiscal year.

CONSTRUCTION OF FACILITIES

Under this item, as stated earlier in the report, the committee recommends \$200,000 to be used for plans and specifications required for construction at the next four locations in priority order for existing soil and water research field stations. An appropriation of \$250,000 as proposed by the House for tobacco research facilities is included in this item. The sum of \$300,000 is appropriated for payments during fiscal 1961 for construction costs of the main laboratory and headquarters at the National Arboretum, for which authorization of not to exceed \$1,500,000 is included.

An appropriation of \$2 million is recommended to construct a laboratory for research on metabolism of agricultural chemicals in insects, plants, and livestock, and to develop irradiation techniques for control of insects.

The committee recommends \$950,000 for the construction of a poultry research facility to be located at Athens, Ga., to conduct research on disease, management, and related problems affecting poultry production.

STATE EXPERIMENT STATIONS

PAYMENTS TO STATES AND PUERTO RICO

The committee recommends an appropriation of \$32,553,708 for research payments to the States under the formula prescribed in the Hatch Act. This is the amount of the budget request and \$1,000,708 over the House bill.

Penalty mail.—An appropriation of \$250,000 for penalty mail costs is recommended.

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

The committee recommends an appropriation of \$57,715,000 for payments to States for cooperative extension work. This is an increase of \$2 million over the House bill, \$1,135,000 over the budget request, and \$4 million over the funds provided for fiscal 1960.

The committee concurs in the statement in the House report that some attention should be given to the rural development program. The funds recommended herein are not earmarked for rural development as proposed by departmental officials, but are to be allocated under the formula, and then to be used by the States to strengthen extension work within the respective States. The committee has stricken a proviso inserted by the House that would have restricted the use of the increased funds to county extension offices.

RETIREMENT COSTS FOR EXTENSION AGENTS

For the Federal share of payments for retirement costs, the committee recommends \$5,691,000, the budget estimate, an increase of \$86,000 over the House bill and \$286,625 over fiscal 1960.

Penalty mail.—An appropriation of \$2,490,000 is recommended for the penalty mail costs of State and county extension work.

FEDERAL EXTENSION SERVICE

The committee recommends an appropriation of \$2,275,000, an increase of \$20,000 over the House bill, and \$117,660 under the estimate. The increased amount will enable the Federal Extension Service to strengthen its staff by the employment of an auditor and other essential staff.

FARMER COOPERATIVE SERVICE

The committee recommends an appropriation of \$620,000, the amount in the House bill and \$24,650 under the estimate. The recommended amount provides an increase of \$4,200 over fiscal 1960 for costs of the employee health program.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

The committee recommends that \$83,132,000 be appropriated for technical assistance to soil conservation districts. This is the amount of the House bill and \$250,000 over the budget estimate. The increase will provide for the staffing of an additional 20 districts during fiscal 1961. The committee concurs with the House report statement which cautions against the formation of new districts except in cases where a genuine need exists.

The committee has also approved a provision inserted by the House which provides that \$600,000 of the funds appropriated under this head in the 1960 Appropriation Act will be available to employ conservation aides during fiscal 1961.

WATERSHED PROTECTION

The committee recommends an appropriation of \$32 million, as proposed by the House, an increase of \$4,250,000 over the budget request, and \$9,250,000 over the appropriation for 1960. The committee recommends \$3,500,000 for investigations and planning as proposed in the budget. This action provides an additional \$1,400,000 for installation of works of improvement to be prorated proportionately between the pilot watersheds and those approved under Public Law 566.

FLOOD PREVENTION

An appropriation of \$18 million for continuing work in the 11 authorized watersheds is recommended. This is the amount of the House bill, \$3 million over the budget request, and the amount provided for fiscal 1960.

GREAT PLAINS CONSERVATION PROGRAM

For the Great Plains conservation program, the sum of \$10 million is recommended, the amount of the estimate, the House bill, and the amount provided in 1960.

AGRICULTURAL CONSERVATION PROGRAM SERVICE

AGRICULTURAL CONSERVATION PROGRAM

An appropriation of \$242 million is recommended for cost-sharing payments to carry out the 1960 program. This is a reduction of \$600,000 under the estimate, and is the amount proposed by the House. This amount, together with the carryover from prior year balances is believed to be adequate to meet commitments under the \$250 million program authorization.

The advance authorization for the 1961 program is recommended at \$250 million, the amount of the House bill, and \$150 million over the budget request.

AGRICULTURAL MARKETING SERVICE

MARKETING RESEARCH AND AGRICULTURAL ESTIMATES

The committee recommends an appropriation of \$16,605,000, an increase of \$290,000 over the House bill and \$33,500 over the budget request.

The increases over the House bill recommendations are:

- (1) \$25,000 to conduct research studies on vegetables in the Southeast;
- (2) \$150,000 to accelerate lamb-on-feed reports in the important lamb feeding States; and
- (3) \$115,000 to initiate a pilot program of estimates for tomatoes and celery.

The committee agrees with the statements in the House report as to need of strengthening various lines of research on cotton quality evaluation, pilot spinning tests, and of generally increasing knowledge regarding cotton fiber performance. The studies proposed in the

House report are very important and should be carried on with CCC funds.

MARKETING SERVICES

The committee has restored to the bill the paragraph for "Marketing Services" which was stricken in the House. The committee recommends an appropriation of \$26,579,900, which is \$9,500 over the budget request. The \$9,500 increase over the budget request is to provide \$39,500 within the amount appropriated to initiate grain market news services in California and Louisiana.

Along with the increase of \$216,450 provided herein as requested in the budget for enforcement of the Packers and Stockyards Act, as amended, the committee recommends that the Secretary establish a separate enforcement agency reporting directly to an Assistant Secretary.

The bill includes the full estimate of \$10,296,000 for poultry products inspection. The committee understands that legislation is pending before the standing Committee on Agriculture and Forestry dealing with further processing inspection. If the proposed legislation is not enacted before next July 1 the Department will be obliged to submit a supplemental estimate to carry out federally supervised inspection of poultry-food processing in plants which are now exempted.

The committee endorses a recent proposal by the Department to establish a training center, to provide an intensive training course for poultry inspection personnel, which will be located at and operated in cooperation with the University of Georgia. The committee believes it essential that poultry inspection personnel be qualified, and adequately trained to carry out the poultry products inspection program.

PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

The committee recommends an appropriation of \$1,195,000, which is the amount of the budget request, the House bill, and the same amount as provided for fiscal 1960.

SCHOOL LUNCH PROGRAM

The committee recommends a direct appropriation of \$110 million, the budget estimate and the amount proposed by the House. In addition, a transfer of \$45 million of section 32 funds to purchase meats and other foods required to provide a balanced school lunch diet is recommended. This is the amount proposed for transfer from section 32 by the House and is \$5 million over the budget request.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

The administrative expenses for this agency are financed by direct appropriation and by authorization to transfer funds from section 32. A direct appropriation of \$4,487,000 is recommended, which is \$40,000 over the House and \$150,300 under the budget request. The committee believes that the additional \$150,000 requested for restoration by the Department for agricultural attaché services should be financed from foreign currencies. For the section 32 transfer, \$2,539,000, the full budget request, is approved. This is an increase of \$46,000 over the House, to strengthen trade fair activity and to cover employee health benefit costs.

SPECIAL FOREIGN CURRENCY PROGRAM

The committee recommends an appropriation of \$14,621,000 for the purchase of foreign currencies generated from sales of agricultural commodities under Public Law 480 to be used for market development work pursuant to section 104(a) and for agricultural and horticultural exhibitions pursuant to section 104(m). This is the amount recommended by the House and is an increase of \$8,777,622 over funds estimated to be available for 1960.

The committee has inserted a proviso requested in the budget estimate which provides that not less than \$4,400,000 of the currencies used shall be purchased in countries where currency balances exceed normal U.S. Government needs.

The committee approves the language inserted by the House to facilitate the acquisition and convertibility of foreign currencies used in conducting market development work. This proviso should facilitate the Department's efforts to conduct market development work in countries with a greater potential for U.S. agricultural exports.

The bill, which specifically makes available foreign currencies to carry out agricultural market development programs in countries which offer the greatest possibilities for expanding dollar sales, gives effect to the legislative policy established by Congress under Public Law 480. The development of new or expanded markets for American agriculture is recognized as one of the principal long-range benefits sought to be achieved under that act.

The committee, however, believes that even greater progress can be made with respect to some commodities, particularly those which have only recently entered the export field. This can be accomplished through a more effective use of Public Law 480 and section 32 to get these commodities into new market areas. Ready-to-cook poultry and fruits and vegetables are examples of these commodities. The committee believes that all available means should be used to introduce such U.S. foods to these new areas for such periods of time and under such conditions as will overcome the initial barriers and risks which tend to discourage or prevent trade stimulation. Such action will encourage foreign consumers to become acquainted with U.S. products and will generate trade on a commercial basis which can be expanded and strengthened through market promotion programs.

COMMODITY EXCHANGE AUTHORITY

An appropriation of \$941,325 is recommended, the budget estimate, and an increase of \$11,325 over the House bill. The amount recommended provides an increase of \$25,225 to expand and accelerate the investigation and elimination of abuses concerning unlawful market and trade practices, and \$6,500 of the increase is for employee health benefit costs.

COMMODITY STABILIZATION SERVICE

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

For carrying out the acreage allotment and marketing quota program, \$40,135,000 is recommended, the House figure, the budget estimate, and a decrease of \$400,000 under the amounts provided in fiscal 1960.

SUGAR ACT PROGRAM

An appropriation of \$74,500,000 for making mandatory payments to sugar producers is recommended. This is the amount of the budget request and the House bill.

CONSERVATION RESERVE PROGRAM

The committee recommends an appropriation of \$335 million for program payment obligations and administration of the conservation reserve program. This is an increase of \$25 million over the House, and is \$6,300,000 under the restoration requested by the Department. This is the same amount as appropriated in fiscal 1960.

RURAL ELECTRIFICATION ADMINISTRATION

LOAN AUTHORIZATIONS

The committee recommends \$110 million authorization for electric loans and \$80 million authorization for telephone loans as proposed in the budget request and approved by the House. In addition, it recommends a contingency authorization of \$60 million for each program, an increase of \$10 million over the House. No contingency reserve was requested in the budget for either program.

The carryover authorization into fiscal 1961 for electric loans is estimated at \$110 million; the committee recommends a new authorization of \$110 million regular authorization and \$60 million contingency authorization, making a total of \$280 million available if it is required.

For the telephone program only \$1 million is estimated to be carried into fiscal 1961; the committee recommends \$80 million regular authorization with a contingency of \$60 million providing a total of \$141 million available for fiscal 1961 to meet the increased demand for telephone loans.

SALARIES AND EXPENSES

For administrative expenses for the Rural Electrification Administration, the committee recommends \$9,632,000, the amount of the estimate, the House bill, and the amount appropriated for fiscal 1960.

FARMERS HOME ADMINISTRATION

LOAN AUTHORIZATIONS

The committee concurs in the recommendations by the House totaling \$227 million for loan authorizations to conduct the lending programs of this agency. In addition, a contingency authorization of \$40 million proposed by the House is recommended by the committee, of which not to exceed \$35 million is for operating loans and not to exceed \$5 million is for farm ownership loans.

These authorizations include \$26,900,000 for farm ownership loans and \$197,100,000 for farm operating loans, which are the respective amounts available for the current year and are \$50 million over the budget estimate. An authorization for soil and water conservation loans of \$3 million is recommended, as proposed in the budget and in the House bill, which is an increase of \$1 million over fiscal 1960.

SALARIES AND EXPENSES

An appropriation of \$31,467,650 is recommended, which restores the budget request and is an increase of \$967,650 over the House. This is \$722,900 over fiscal 1960, of which \$226,600 is for employee health benefit costs; \$140,000 for reclassification of employees, and \$356,300 is needed to maintain existing county offices. In addition the committee recommends approval of the budget request for an increase of \$100,000 to be transferred from the insurance fund.

OFFICE OF THE GENERAL COUNSEL

An appropriation of \$3,358,000 is recommended for the Office of the General Counsel. This is the amount of the budget request, and the House bill, and provides an increase of \$195,975 over fiscal 1960.

The increase in appropriation provides \$20,800 for costs of the employee health program and \$175,175 for increased legal work in connection with the Packers and Stockyards Act, and other marketing and regulatory activities.

OFFICE OF THE SECRETARY

The committee recommends an appropriation of \$2,899,500 for the Office of the Secretary, which is the amount of the budget request and the amount provided in the House bill. This is an increase of \$18,500 over fiscal 1960 to meet the costs of the employee health program.

OFFICE OF INFORMATION

An appropriation of \$1,523,000 is recommended, an increase of \$45,000 over the budget request and the House bill. The increase of \$45,000 is to cover the cost of reprinting 58,200 copies of the yearbook "Food" in lieu of the House proposal to provide a one-half edition reprint to be financed by decreasing the amount proposed in the budget estimate to be used in printing the 1961 yearbook entitled "Seed."

LIBRARY

An appropriation of \$895,000 is recommended for the operation of the Library. This is the amount of the budget request, the amount of the House bill, and an increase of \$63,100 over fiscal 1960, to meet the increased work volume of the Agricultural Library.

TITLE II—CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

For regular operating and administrative expenses, an appropriation of \$6,376,000 is recommended for fiscal 1961. This is the same amount as for fiscal 1960.

The Corporation also has authority to spend from its premium income for administrative expenses. The committee recommends, for fiscal 1961, the amount of \$2,630,000, which is the amount recommended by the House and is \$200,000 under the budget request.

COMMODITY CREDIT CORPORATION**RESTORATION OF CAPITAL IMPAIRMENT**

An appropriation of \$1,226,500,000 is recommended for restoration of capital impairment, which is the amount of the House bill and is \$98,500,000 under the estimate. The amount included covers \$632 million for the balance of losses incurred in fiscal 1959, and \$594,500,000 of the estimated losses during fiscal 1960.

The committee is disturbed by the increased amounts in this item that go to storage costs, handling, and other charges, and urges the Department to make savings in these costs wherever possible.

REIMBURSEMENTS TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL ACTIVITIES

The committee recommends an appropriation of \$1,443,634,000 to reimburse CCC for the estimated cost of several special programs, for the cost of which CCC is authorized to be reimbursed. The following table provides a summary of these costs for fiscal years 1958, 1959, and the estimated cost for fiscal 1960, for which this appropriation is made.

Item	1959 (1958 costs)	1960 (1959 costs)	1961 (1960 estimated costs)
International Wheat Agreement -----	\$80,800,000	\$47,404,719	\$32,572,000
Emergency famine relief to friendly peoples -----	119,270,000	96,601,678	107,094,000
Sales of surplus agricultural commodities for foreign currencies -----	1,033,515,000	968,016,000	881,000,000
Grain for migratory waterfowl feed -----	18,506	17,363	18,000
Transfer of bartered materials to supplemental stockpile -----	82,250,335	129,000,000	422,950,000
Advances to Agricultural Research Service for animal disease eradication activities -----	19,390,100	1,036,192	-----
Advances to Agricultural Marketing Service for classing cotton and grading tobacco -----	1,510,870	608,926	-----
Unobligated balance -----	-----	25,412,562	-----
Total appropriation or estimate -----	1,336,754,811	1,268,097,500	1,443,634,000

LIMITATION ON ADMINISTRATIVE EXPENSES

For administrative expenses of the CCC the committee recommends a limitation of \$45,726,000, an increase of \$1 million over the House, and \$2,702,000 under the budget request. The amount recommended is an increase of \$3,326,000 over fiscal 1960. The increase is to be placed in the contingency reserve for use in connection with the regular price support activities.

The committee has stricken a provision inserted by the House which affects storage policy of agricultural commodities.

TITLE III—RELATED AGENCIES**FARM CREDIT ADMINISTRATION**

The committee recommends an administrative expense limitation of \$2,480,000, for fiscal 1961. This is the amount requested, and approved by the House, and is an increase of \$170,000 over fiscal 1960, to cover the full year cost of the transfer of 37 employees from the Federal land bank payroll to the Farm Credit Administration as authorized by the Farm Credit Act of 1959.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1960 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1961
REGULAR ACTIVITIES (TITLE I)

Agency and item	Appropriations, 1960	Budget esti- mates, 1961	Recommended in House bill for 1961	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (-) Senate bill compared with—		
					Appropriations, 1960	Budget esti- mates, 1961	House bill
Agricultural Research Service:							
Salaries and expenses:							
Research.....	\$67,721,590	\$68,981,700	\$67,934,000	\$70,247,600	+\$2,526,010	+\$1,265,900	+\$2,313,600
Plant and animal disease and pest control.....	49,800,600	48,775,600	52,011,000	52,236,000	+2,435,400	+3,460,400	+225,000
Meat inspection.....	21,324,900	21,562,700	21,562,000	21,562,000	+237,100	--700	-----
Total, salaries and expenses.....	138,847,090	139,320,000	141,507,000	144,045,600	+5,198,510	+4,725,600	+2,538,600
Salaries and expenses (special foreign currency program).....	12,056,500	15,131,500	15,131,000	15,131,000	+3,074,500	--500	-----
Construction of facilities.....	-----	900,000	-----	3,700,000	+3,700,000	+2,800,000	+3,700,000
State experiment stations:							
Payments to States and Puerto Rico.....	31,553,708	32,553,708	31,553,000	32,553,708	+1,000,000	-----	+1,000,708
Penalty mail.....	250,000	250,000	250,000	250,000	-----	-----	-----
Total, State experiment stations.....	31,803,708	32,803,708	31,803,000	32,803,708	-----	-----	-----
Total, Agricultural Research Service.....	182,707,298	188,155,208	188,441,000	195,680,308	+12,973,010	+7,525,100	+7,239,308
Extension Service:							
Payments to States and Puerto Rico.....	53,715,000	56,580,000	55,715,000	57,715,000	+4,000,000	+1,135,000	+2,000,000
Retirement costs for extension agents.....	5,674,375	5,961,000	5,875,000	5,961,000	+286,625	-----	+86,000
Penalty mail.....	2,491,307	2,491,307	2,490,000	2,490,000	--1,307	--1,307	-----
Federal Extension Service.....	2,242,540	2,392,650	2,255,000	2,275,000	+32,460	--117,660	+20,000
Total, Extension Service.....	64,123,222	67,424,967	66,335,000	68,441,000	+4,317,778	+1,016,033	+2,106,000

Comparative statement of appropriations for 1960 and estimates and amounts recommended in bill for 1961—Continued

REGULAR ACTIVITIES (TITLE I)—Continued

Agency and item	Appropriations, 1960	Budget esti- mates, 1961	Recommended in House bill for 1961	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (—) Senate bill compared with—		
					Appropriations, 1960	Budget esti- mates, 1961	House bill
Farmer Cooperative Service.....	\$615,800	\$644,650	\$623,000	\$620,000	+\$4,200	-\$24,650	-----
Soil Conservation Service:							
Conservation operations.....	82,322,000	82,882,000	83,132,000	83,132,000	+\$10,000	+250,000	-----
Watershed protection.....	22,750,000	27,750,000	32,000,000	32,000,000	+9,250,000	+4,250,000	-----
Flood prevention.....	18,000,000	15,000,000	18,000,000	18,000,000	-----	+3,000,000	-----
Water conservation and utilization projects.....	75,000	-----	-----	-----	-75,000	-----	-----
Great Plains conservation program.....	10,000,000	10,000,000	10,000,000	10,000,000	-----	-----	-----
Total, Soil Conservation Service.....	133,147,000	135,632,000	143,132,000	143,132,000	+9,985,000	+7,500,000	-----
Agricultural Conservation Program Service: Agricultural con- servation program.....	241,500,000	242,600,000	242,000,000	242,000,000	+\$500,000	-600,000	-----
Agricultural Marketing Service:							
Marketing Research and Service:							
Marketing research and agricultural estimates.....	15,412,500	16,571,500	16,315,000	16,605,000	+1,192,500	+33,500	+\$290,000
Marketing services.....	26,054,600	26,570,400	-----	26,579,900	+525,300	+9,500	+26,579,900
Total, Marketing Research and Service.....	41,467,100	43,141,900	16,315,000	43,184,900	+1,717,800	+43,000	+26,869,900
Payments to States and possessions.....	1,195,000	1,195,000	1,195,000	1,195,000	-----	-----	-----
School lunch program.....	110,000,000	110,000,000	110,000,000	110,000,000	-----	-----	-----
Total, Agricultural Marketing Service.....	152,662,100	154,336,900	127,510,000	154,379,900	+1,717,800	+43,000	+26,869,900

Foreign Agricultural Service:									
Salaries and expenses.....	2 3,518,300	2 4,637,300	2 4,447,000	24,487,000	+908,700	-150,300	+40,000		
Salaries and expenses (special foreign currency program).....	5,843,378	14,621,800	14,621,000	14,621,000	+8,777,622	-800			
Total, Foreign Agricultural Service.....	9,361,678	19,259,100	19,068,000	19,108,000	+9,746,322	-151,100	+40,000		
Commodity Exchange Authority.....	909,500	941,325	930,000	941,325	+31,825		+11,325		
Commodity Stabilization Service:									
Average allotments and marketing quotas.....	3 40,535,000	40,135,000	40,135,000	40,135,000	-400,000				
Sugar Act program.....	71,500,000	74,500,000	74,500,000	74,500,000	+3,000,000				
Conservation reserve program.....	335,000,000	361,783,000	310,000,000	335,000,000		-26,783,000	+25,000,000		
Total, Commodity Stabilization Service.....	447,035,000	476,418,000	424,635,000	449,635,000	+2,600,000	-26,783,000	+25,000,000		
Federal Crop Insurance Corporation: Operating and administrative expenses.....	6,376,700	6,376,700	6,376,000	6,376,000	-700				
Rural Electrification Administration: Salaries and expenses.....	9,632,000	9,632,000	9,632,000	9,632,000					
Farmers Home Administration: Salaries and expenses.....	30,744,750	31,467,650	30,500,000	31,467,650	+722,900		+967,650		
Office of the General Counsel.....	3,162,025	3,358,845	3,358,000	3,358,000	+195,975	-845			
Office of Secretary.....	2,881,000	2,899,500	2,899,500	2,899,500	+18,500				
Office of Information.....	1,431,665	1,478,685	1,478,000	1,523,000	+91,335	+44,315	+45,000		
Library.....	831,900	895,660	895,000	895,000	+63,100	-660			
Total, regular activities.....	1,287,121,638	1,341,521,190	1,267,809,500	1,330,088,683	+42,967,045	-11,432,507	+62,279,183		

¹ In addition, \$43,657,248 transferred from sec. 32 funds in fiscal year 1960, transfer of \$2,539,000 budgeted for fiscal year 1961, \$2,493,000 recommended in House bill, and \$40,000,000 budgeted for fiscal year 1961, and \$45,000,000 recommended by Senate.

² In addition, \$2,493,000 transferred from sec. 32 funds in fiscal year 1960, transfer of \$2,539,000 recommended by Senate.

³ Includes \$1,400,000 appropriated in Second Supplemental Appropriation Act, 1960.

Comparative statement of appropriations for 1960 and estimates and amounts recommended in bill for 1961—Continued

CORPORATIONS (TITLE II)

Agency and item	Appropriations, 1960	Budget esti- mates, 1961	Recommended in House bill for 1961	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (—) compared with—	
					Appropriations, 1960	Budget esti- mates, 1961
Federal Crop Insurance Corporation: Administrative and operating expenses-----	(\$2, 330, 000)	(\$2, 830, 000)	(\$2, 630, 000)	(\$2, 630, 000)	(+\$300, 000)	(-\$200, 000)
Commodity Credit Corporation:						
Restoration of capital impairment-----	4 2, 110, 424, 413	1, 325, 000, 000	1, 226, 500, 000	1, 226, 500, 000	-883, 924, 413	-98, 500, 000
Reimbursements for special activities:						
International Wheat Agreement-----	63, 875, 000	49, 042, 000	32, 572, 000	32, 572, 000	-31, 303, 000	-16, 470, 000
Emergency famine relief-----	104, 508, 000	115, 000, 000	107, 094, 000	107, 094, 000	+2, 586, 000	-7, 906, 000
Sales for local currencies (Public Law 480)-----	968, 016, 000	881, 000, 000	881, 000, 000	881, 000, 000	-87, 016, 000	
Migratory waterfowl feed-----	35, 000	35, 000	18, 000	18, 000	-17, 000	-17, 000
Bartered materials for stockpile-----	129, 000, 000	422, 950, 000	422, 950, 000	422, 950, 000	+233, 950, 000	
Animal disease eradication-----	1, 056, 500				-1, 056, 500	
Grading and classing activities-----	1, 607, 000	715, 000			-1, 607, 000	-715, 000
Total reimbursements for special activities-----	1, 268, 097, 500	1, 468, 742, 000	1, 443, 634, 000	1, 443, 634, 000	+175, 536, 500	-25, 108, 000
Administrative expense limitation-----	8 (42, 400, 000)	(48, 428, 000)	(44, 726, 000)	(45, 726, 000)	(+3, 326, 000)	(-2, 702, 000)
Total, Corporations-----	3, 378, 521, 913	2, 793, 742, 000	2, 670, 134, 000	2, 670, 134, 000	-708, 387, 913	-123, 608, 000
						(+\$1, 000, 000)

RELATED AGENCIES (TITLE III)

Limitation on administrative expenses: Farm Credit Adminis- tration-----	<u>\$ (\$2, 310, 000)</u>	<u>(\$2, 480, 000)</u>	<u>(\$2, 480, 000)</u>	<u>(\$2, 480, 000)</u>	<u>(+\$170, 000)</u>	<u>(-----)</u>	<u>(-----)</u>
Total, titles I, II, and III-----	4, 665, 643, 551	4, 135, 263, 190	3, 937, 943, 500	4, 000, 222, 683	-665, 420, 868	-\$135, 040, 507	+\$62, 279, 183

⁴ Includes \$675,000,000 appropriated in Second Supplemental Appropriation Act, 1960.

⁵ Includes additional \$400,000 authorized in Second Supplemental Appropriation Act, 1960.

⁶ Includes additional \$185,000 authorized in Second Supplemental Appropriation Act, 1960.

LOAN AUTHORIZATIONS

Agency and item	Authorizations, 1960	Budget esti- mates, 1961	Recommended in House bill for 1961	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (-) Senate bill compared with—		
					Authorizations, 1960	Budget esti- mates, 1961	House bill
Rural Electrification Administration:							
Electrification.....	\$136,000,000	\$110,000,000	\$110,000,000	\$110,000,000	—\$26,000,000		
Telephone.....	7 104,000,000	80,000,000	80,000,000	80,000,000	—24,000,000		
Total, Rural Electrification Administration.....	240,000,000	190,000,000	⁸ 190,000,000	⁸ 190,000,000	—50,000,000		
Farmers Home Administration:							
Farm ownership.....	26,900,000	20,000,000	26,900,000	26,900,000		+\$6,900,000	
Farm operation (production and subsistence).....	197,100,000	154,000,000	197,100,000	197,100,000		+\$43,100,000	
Soil and water conservation.....	2,000,000	3,000,000	3,000,000	3,000,000	+1,000,000		
Total, Farmers Home Administration.....	⁹ 226,000,000	177,000,000	¹⁰ 227,000,000	¹⁰ 227,000,000	+1,000,000	+50,000,000	
Total, loan authorizations.....	466,000,000	367,000,000	417,000,000	417,000,000	—49,000,000	+50,000,000	

PERMANENT AUTHORIZATIONS

Agency and Item	Authorizations, 1960	Budget estimates, 1961	Increase or decrease
Agricultural Research Service: Animal quarantine station, Clifton, N.J.	\$30,000	-----	-\$30,000
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)	251,446,365	\$318,000,000	+66,553,635
Perishable Agricultural Commodities Act fund	670,000	670,000	-----
Total, Agricultural Marketing Service	252,116,365	318,670,000	+66,553,635
Commodity Stabilization Service: National Wool Act	50,050,313	51,000,000	+949,687
Total, permanent appropriations	302,196,678	369,670,000	+67,473,322

⁷ Includes \$25,000,000 contingency authorized in 1960 Appropriation Act.

⁹ Includes \$20,000,000 contingency authorization provided in 1960 Appropriation Act.

⁸ In addition, contingency of \$50,000,000 authorized for each program for 1961 in House bill and raised to \$60,000,000 for each program by Senate.

¹⁰ In addition, contingency of \$40,000,000 authorized for 1961.

○

Calendar No. 1467

86TH CONGRESS
2D SESSION

H. R. 12117

[Report No. 1404]

IN THE SENATE OF THE UNITED STATES

MAY 12, 1960

Read twice and referred to the Committee on Appropriations

MAY 20, 1960

Reported, under authority of the order of the Senate of January 18, 1960, by
Mr. RUSSELL, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Department of Agriculture and
Farm Credit Administration for the fiscal year ending June
30, 1961, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1961; namely:

1 DEPARTMENT OF AGRICULTURE
2 TITLE I—REGULAR ACTIVITIES
3 AGRICULTURAL RESEARCH SERVICE
4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, and home economics, to
7 control and eradicate pests and plant and animal diseases,
8 and to perform related inspection, quarantine and regulatory
9 work, and meat inspection: *Provided*, That not to exceed
10 \$75,000 of the appropriations hereunder shall be available
11 for employment pursuant to the second sentence of section
12 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
13 amended by section 15 of the Act of August 2, 1946 (5
14 U.S.C. 55a) : *Provided further*, That appropriations here-
15 under shall be available for the operation and maintenance
16 of aircraft and the purchase of not to exceed two, of which
17 one shall be for replacement only: *Provided further*, That
18 appropriations hereunder shall be available pursuant to title
19 5, United States Code, section 565a, for the construction,
20 alteration, and repair of buildings and improvements, but
21 unless otherwise provided, the cost of constructing any one
22 building (except headhouses connecting greenhouses) shall
23 not exceed \$15,000, except for five buildings to be con-
24 structed or improved at a cost not to exceed \$30,000 each,
25 and the cost of altering any one building during the fiscal

1 year shall not exceed \$5,000 or 5 per centum of the cost
2 of the building, whichever is greater:

3 Research: For research and demonstrations on the
4 production and utilization of agricultural products, home
5 economics, and related research and services, including
6 administration of payments to State agricultural experiment
7 stations, ~~\$67,934,000~~ \$70,247,600: *Provided*, That the
8 limitations contained herein shall not apply to replacement
9 of buildings needed to carry out the Act of April 24, 1948
10 (21 U.S.C. 113a) ~~; or to not to exceed \$1,000,000 to remain~~
11 ~~available until expended for the construction and alteration of~~
12 ~~buildings~~: *Provided further*, That the Secretary of
13 Agriculture may sell the Entomology Research Laboratory
14 at Orlando, Florida, in such manner and upon such terms
15 and conditions as he deems advantageous and the proceeds of
16 such sale shall remain available until expended for the estab-
17 lishment of an entomology research laboratory: *Provided*
18 *further*, That in the establishment of such laboratory the
19 Secretary may acquire land therefor by donation or exchange;

20 Plant and animal disease and pest control: For opera-
21 tions and measures, not otherwise provided for, to control
22 and eradicate pests and plant and animal diseases and for
23 carrying out assigned inspection, quarantine, and regulatory
24 activities, as authorized by law, including expenses pursuant
25 to the Act of February 28, 1947 (21 U.S.C. 114b-d),

1 ~~\$52,011,000~~ \$52,236,000, of which \$1,500,000 shall be
 2 apportioned for use pursuant to section 3679 of the Revised
 3 Statutes, as amended, for the control of outbreaks of insects
 4 and plant diseases to the extent necessary to meet emergency
 5 conditions: *Provided, That no funds shall be used to formu-*
 6 *late or administer a brucellosis eradication program for*
 7 *fiscal year 1962 that does not require minimum matching*
 8 *by any State of at least 40 per centum;*

9 Meat inspection: For carrying out the provisions of
 10 laws relating to Federal inspection of meat, and meat-food
 11 products, and the applicable provisions of the laws relating
 12 to process or renovated butter, \$21,562,000;

13 Special fund: To provide for additional labor to be em-
 14 ployed ~~under contracts and cooperative agreements~~ to
 15 strengthen the work at research installations in the
 16 field, not more than \$1,000,000 of the amount appropriated
 17 under this head for the fiscal year 1960 may be used by the
 18 Administrator of the Agricultural Research Service in depart-
 19 mental research programs in the fiscal year 1961, the amount
 20 so used to be transferred to and merged with the appro-
 21 priation otherwise available under "Salaries and expenses,
 22 Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY
PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104 (a), and for agricultural and forestry research authorized by section 104 (k) of that Act, to remain available until expended, \$15,131,000: *Provided*, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Agricultural Research Service for the foregoing purposes of section 104 (a) is appropriated as of that date and shall be merged with this appropriation: *Provided further*, That funds appropriated herein shall be used to purchase such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104 (a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses.

CONSTRUCTION OF FACILITIES

For construction of facilities and acquisition of the necessary land therefor by donation or exchange, \$3,700,000, to remain available until expended: Provided, That \$300,000 of the amount appropriated herein shall be available for payment of expenses for construction of a headquarters-laboratory building at the National Arboretum, which is hereby authorized to be constructed under contract authorization in an amount not to exceed \$1,500,000.

STATE EXPERIMENT STATIONS

Payments to States and Puerto Rico: For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture, ~~\$31,053,000~~ \$32,053,708; and payments authorized under section 204 (b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U.S.C. 1623), \$500,000; in all, ~~\$31,553,000~~ \$32,553,708.

Penalty mail: For penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, \$250,000.

DISEASES OF ANIMALS AND POULTRY

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest,

1 contagious pleuropneumonia, or other contagious or infectious
2 diseases of animals, or European fowl pest and similar dis-
3 eases in poultry, and for foot-and-mouth disease and rinder-
4 pest programs undertaken pursuant to the provisions of the
5 Act of February 28, 1947, and the Act of May 29, 1884,
6 as amended (7 U.S.C. 391; 21 U.S.C. 111-122), including
7 expenses in accordance with section 2 of said Act of Febru-
8 ary 28, 1947, the Secretary may transfer from other ap-
9 propriations or funds available to the bureaus, corporations,
10 or agencies of the Department such sums as he may deem
11 necessary, to be available only in an emergency which
12 threatens the livestock or poultry industry of the country,
13 and any unexpended balances of funds transferred under
14 this head in the next preceding fiscal year shall be merged
15 with such transferred amounts: *Provided*, That this appropri-
16 ation shall be subject to applicable provisions contained in the
17 item "Salaries and expenses, Agricultural Research Service".

18 EXTENSION SERVICE

19 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

20 Payments to States and Puerto Rico: For payments
21 for cooperative agricultural extension work under the Smith-
22 Lever Act, as amended by the Act of June 26, 1953 (7
23 U.S.C. 341-348), and the Act of August 11, 1955 (7
24 U.S.C. 347a), ~~\$54,220,000~~ \$56,220,000; and payments
25 and contracts for such work under section 204 (b)-205 of

1 the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-
 2 1624), \$1,495,000; in all, ~~\$55,715,000~~ \$57,715,000: *Pro-*
 3 *vided*, That funds hereby appropriated pursuant to section
 4 3 (c) of the Act of June 26, 1953, shall not be paid to any
 5 State or Puerto Rico prior to availability of an equal sum
 6 from non-Federal sources for expenditure during the cur-
 7 rent fiscal year: ~~*Provided further*~~, That all of the additional
 8 funds provided herein shall be used to meet expenses at the
 9 county level.

10 Retirement costs for extension agents: For cost of em-
 11 ployer's share of Federal retirement for cooperative exten-
 12 sion employees, ~~\$5,875,000~~ \$5,961,000.

13 Penalty mail: For costs of penalty mail for cooperative
 14 extension agents and State extension directors, \$2,490,000.

15 Federal Extension Service: For administration of the
 16 Smith-Lever Act, as amended by the Act of June 26, 1953
 17 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7
 18 U.S.C. 347a), and extension aspects of the Agricultural
 19 Marketing Act of 1946 (7 U.S.C. 1621-1627), and to
 20 coordinate and provide program leadership for the exten-
 21 sion work of the Department and the several States
 22 and insular possessions, ~~\$2,255,000~~ \$2,275,000.

1 FARMER COOPERATIVE SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses to carry out the Act of July 2,
4 1926 (7 U.S.C. 451-457), \$620,000.

5 SOIL CONSERVATION SERVICE

6 CONSERVATION OPERATIONS

7 For necessary expenses for carrying out the provisions
8 of the Act of April 27, 1935 (16 U.S.C. 590a-590f), in-
9 cluding preparation of conservation plans and establishment
10 of measures to conserve soil and water (including farm
11 irrigation and land drainage and such special measures as
12 may be necessary to prevent floods and the siltation of
13 reservoirs); operation of conservation nurseries; classifica-
14 tion and mapping of soils; dissemination of information;
15 purchase and erection or alteration of permanent buildings;
16 and operation and maintenance of aircraft, \$83,132,000:
17 *Provided*, That the cost of any permanent building pur-
18 chased, erected, or as improved, exclusive of the cost
19 of constructing a water supply or sanitary system and
20 connecting the same to any such building and with the ex-
21 ception of buildings acquired in conjunction with land being

1 purchased for other purposes, shall not exceed \$2,500, ex-
2 cept for eight buildings to be constructed or improved at a
3 cost not to exceed \$15,000 per building and except that
4 alterations or improvements to other existing permanent
5 buildings costing \$2,500 or more may be made in any fiscal
6 year in an amount not to exceed \$500 per building: *Pro-*
7 *vided further*, That no part of this appropriation shall be
8 available for the construction of any such building on land
9 not owned by the Government: *Provided further*, That
10 no part of this appropriation may be expended for soil and
11 water conservation operations under the Act of April 27,
12 1935 (16 U.S.C. 590a-590f), in demonstration projects:
13 *Provided further*, That not to exceed \$5,000 may be used
14 for employment pursuant to the second sentence of section
15 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
16 amended by section 15 of the Act of August 2, 1946 (5
17 U.S.C. 55a): *Provided further*, That qualified local engi-
18 neers may be temporarily employed at per diem rates to
19 perform the technical planning work of the service: *Pro-*
20 *vided further*, That not to exceed \$600,000 of the amount
21 appropriated under this head for fiscal year 1960 may be
22 used to employ conservation aides and other nonprofessional
23 personnel on a part-time or contract basis, and the amount
24 so used may be transferred to and merged with this appro-
25 priation.

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, \$32,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That not to exceed \$100,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709), as amended and supplemented, and the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008, 74 Stat. 131), and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improve-

1 ment, including not to exceed \$100,000 for employment
2 pursuant to the second sentence of section 706 (a) of the
3 Organic Act of 1944 (5 U.S.C. 574) , as amended by section
4 15 of the Act of August 2, 1946 (5 U.S.C. 55a) , to remain
5 available until expended, \$18,000,000, with which shall
6 be merged the unexpended balances of funds heretofore
7 appropriated or transferred to the Department for flood pre-
8 vention purposes: *Provided*, That no part of such funds shall
9 be used for the purchase of lands in the Yazoo and Little
10 Tallahatchie watersheds without specific approval of the
11 county board of supervisors of the county in which such lands
12 are situated.

13 GREAT PLAINS CONSERVATION PROGRAM

14 For necessary expenses to carry into effect a program
15 of conservation in the Great Plains area, pursuant to section
16 16 (b) of the Soil Conservation and Domestic Allotment
17 Act, as added by the Act of August 7, 1956 (16 U.S.C.
18 590p) , \$10,000,000, to remain available until expended.

19 AGRICULTURAL CONSERVATION PROGRAM SERVICE

20 AGRICULTURAL CONSERVATION PROGRAM

21 For necessary expenses to carry into effect the pro-
22 gram authorized in sections 7 to 15, 16 (a) , and 17 of the
23 Soil Conservation and Domestic Allotment Act, approved
24 February 29, 1936, as amended (16 U.S.C. 590g-590 (o) ,
25 590p (a) , and 590q) , including not to exceed \$6,000 for the

1 preparation and display of exhibits, including such displays
2 at State, interstate, and international fairs within the United
3 States, \$242,000,000, to remain available until December 31
4 of the next succeeding fiscal year for compliance with the
5 program of soil-building and soil- and water-conserving
6 practices authorized under this head in the Department of
7 Agriculture and Farm Credit Administration Appropriation
8 Act, 1960, carried out during the period July 1, 1959, to
9 December 31, 1960, inclusive: *Provided*, That not to exceed
10 \$26,832,950 of the total sum provided under this head shall
11 be available during the current fiscal year for administrative
12 expenses for carrying out such program, the cost of aerial
13 photographs, however, not to be charged to such limitation;
14 but not more than \$5,458,900 shall be transferred to the
15 appropriation account "Administrative expenses, section
16 392, Agricultural Adjustment Act of 1938": *Provided fur-*
17 *ther*, That none of the funds herein appropriated shall be used
18 to pay the salaries or expenses of any regional information
19 employees or any State information employees, but this shall
20 not preclude the answering of inquiries or supplying of in-
21 formation at the county level to individual farmers: *Pro-*
22 *vided further*, That such amounts shall be available for ad-
23 ministrative expenses in connection with the formulation and
24 administration of the 1961 program of soil-building and
25 soil- and water-conserving practices, under the Act of

1 February 29, 1936, as amended (amounting to \$250,000,-
2 000, including administration, and no participant shall re-
3 ceive more than \$2,500, except where the participants from
4 two or more farms or ranches join to carry out approved
5 practices designed to conserve or improve the agricultural
6 resources of the community) : *Provided further*, That no
7 change shall be made in such 1961 program which will have
8 the effect in any county of restricting eligibility requirements
9 or cost-sharing on practices included in either the 1958 or
10 the 1959 programs, unless such change shall have been
11 recommended by the county committee and approved by the
12 State committee: *Provided further*, That the proportion of
13 the State fund initially allocated to any county for the 1961
14 program shall not be reduced from the distribution of such
15 funds for the 1959 program year: *Provided further*, That
16 not to exceed 5 per centum of the allocation for the 1961
17 agricultural conservation program for any county may,
18 on the recommendation of such county committee and
19 approval of the State committee, be withheld and
20 allotted to the Soil Conservation Service for services of its
21 technicians in formulating and carrying out the agricultural
22 conservation program in the participating counties, and shall
23 not be utilized by the Soil Conservation Service for any pur-
24 pose other than technical and other assistance in such
25 counties, and in addition, on the recommendation of such

1 county committee and approval of the State committee, not
2 to exceed 1 per centum may be made available to any other
3 Federal, State, or local public agency for the same purpose
4 and under the same conditions: *Provided further*, That for
5 the 1961 program \$2,500,000 shall be available for
6 technical assistance in formulating and carrying out agricul-
7 tural conservation practices and \$1,000,000 shall be avail-
8 able for conservation practices related directly to flood pre-
9 vention work in approved watersheds: *Provided further*,
10 That such amounts shall be available for the purchase of
11 seeds, fertilizers, lime, trees, or any other farming material,
12 or any soil-terracing services, and making grants thereof to
13 agricultural producers to aid them in carrying out farming
14 practices approved by the Secretary under programs provided
15 for herein: *Provided further*, That no part of any funds
16 available to the Department, or any bureau, office, corpora-
17 tion, or other agency constituting a part of such Department,
18 shall be used in the current fiscal year for the payment of
19 salary or travel expenses of any person who has been con-
20 victed of violating the Act entitled "An Act to prevent
21 pernicious political activities", approved August 2, 1939, as
22 amended, or who has been found in accordance with the pro-
23 visions of title 18, United States Code, section 1913, to have
24 violated or attempted to violate such section which prohibits
25 the use of Federal appropriations for the payment of personal

1 services or other expenses designed to influence in any man-
2 ner a Member of Congress to favor or oppose any legislation
3 or appropriation by Congress except upon request of any
4 Member or through the proper official channels.

5 AGRICULTURAL MARKETING SERVICE

6 MARKETING RESEARCH AND SERVICE

7 For expenses necessary to carry on research and service
8 to improve and develop marketing and distribution relating
9 to agriculture as authorized by the Agricultural Marketing
10 Act of 1946 (7 U.S.C. 1621-1627) and other laws, includ-
11 ing the administration of marketing regulatory acts connected
12 therewith: *Provided*, That appropriations hereunder shall
13 be available pursuant to 5 U.S.C. 565a for the construction,
14 alteration, and repair of buildings and improvements, but
15 unless otherwise provided, the cost of erecting any one build-
16 ing shall not exceed \$15,000, except for two buildings to
17 be constructed or improved at a cost not to exceed \$30,000
18 each, and the cost of altering any one building during the
19 fiscal year shall not exceed \$5,000 or 5 per centum of the
20 cost of the building, whichever is greater:

21 Marketing research and agricultural estimates: For
22 research and development relating to agricultural marketing
23 and distribution, for analyses relating to farm prices, income

1 and population, and demand for farm products, and for crop
 2 and livestock estimates, ~~\$16,315,000~~ \$16,605,000: *Pro-*
 3 *vided*, That not less than \$350,000 of the funds contained in
 4 this appropriation shall be available to continue to gather
 5 statistics and conduct a special study on the price spread
 6 between the farmer and the consumer: *Provided further*,
 7 That no part of the funds herein appropriated shall be avail-
 8 able for any expense incident to publishing estimates of
 9 apple production for other than the commercial crop;

10 *Marketing services: For services relating to agricultural*
 11 *marketing and distribution, for carrying out regulatory acts*
 12 *connected therewith, and for administration and coordination*
 13 *of payments to States, \$26,579,900, including not to exceed*
 14 *\$25,000 for employment at rates not to exceed \$50 per diem,*
 15 *except for employment in rate cases at not to exceed \$100*
 16 *per diem pursuant to the second sentence of section 706(a)*
 17 *of the Organic Act of 1944 (5 U.S.C. 574), as amended*
 18 *by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a),*
 19 *in carrying out section 201(a) to 201(d), inclusive, of title*
 20 *II of the Agricultural Adjustment Act of 1938 (7 U.S.C.*
 21 *1291) and section 203(j) of the Agricultural Marketing Act*
 22 *of 1946.*

1 PAYMENTS TO STATES AND POSSESSIONS

2 For payments to departments of agriculture, bureaus and
3 departments of markets, and similar agencies for marketing
4 activities under section 204 (b) of the Agricultural Market-
5 ing Act of 1946 (7 U.S.C. 1623 (b)), \$1,195,000.

6 SCHOOL LUNCH PROGRAM

7 For necessary expenses to carry out the provisions of
8 the National School Lunch Act (42 U.S.C. 1751-1760),
9 \$110,000,000: *Provided*, That no part of this appropriation
10 shall be used for nonfood assistance under section 5 of said
11 Act: *Provided further*, That \$45,000,000 shall be trans-
12 ferred to this appropriation from funds available under sec-
13 tion 32 of the Act of August 24, 1935, for purchase and
14 distribution of agricultural commodities and other foods
15 pursuant to section 6 of the National School Lunch Act.

16 FOREIGN AGRICULTURAL SERVICE

17 SALARIES AND EXPENSES

18 For necessary expenses for the Foreign Agricultural
19 Service, including carrying out title VI of the Agricultural
20 Act of 1954 (7 U.S.C. 1761-1768), and for enabling the
21 Secretary to coordinate and integrate activities of the Depart-
22 ment in connection with foreign agricultural work, including
23 not to exceed \$25,000 for representation allowances and for
24 expenses pursuant to section 8 of the Act approved
25 August 3, 1956 (7 U.S.C. 1766), ~~\$4,447,000~~ \$4,487,000:

1 *Provided*, That not less than \$400,000 of the funds contained
 2 in this appropriation shall be available to obtain statistics
 3 and related facts on foreign production and full and
 4 complete information on methods used by other countries
 5 to move farm commodities in world trade on a competitive
 6 basis: *Provided further*, That, in addition, not to exceed
 7 ~~\$2,493,000~~ \$2,539,000 of the funds appropriated by section
 8 32 of the Act of August 24, 1935, as amended (7 U.S.C.
 9 612c), shall be merged with this appropriation and shall be
 10 available for all expenses of the Foreign Agricultural Service
 11 in carrying out the purposes of said section 32.

12 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY
 13 PROGRAM)

14 For purchase of foreign currencies which accrue under
 15 title I of the Agricultural Trade Development and Assistance
 16 Act of 1954, as amended (7 U.S.C. 1704), for the purposes
 17 of market development activities under section 104 (a) of
 18 that Act, \$13,621,000, and for the purposes of section 104
 19 (m) of that Act, relating to agricultural and horticultural
 20 fair participation and related activities, \$1,000,000, to re-
 21 main available until expended, *of which amounts not less*
 22 *than \$4,400,000 shall be available to purchase currencies*
 23 *which the Treasury Department shall determine to be excess*
 24 *to normal requirements of the United States: Provided, That*
 25 *this appropriation shall not be used for the purchase of cur-*

1 *rencies available in the Treasury for the purposes of section*
 2 *104(f) of such Act unless such currencies are excess to the*
 3 *normal requirements of the United States: Provided further,*
 4 That the dollar value of the unexpended balances, as of June
 5 30, 1960, of allocations of foreign currencies heretofore made
 6 available to the Foreign Agricultural Service for the fore-
 7 going purposes of such sections 104 (a) and (m) is appro-
 8 priated as of that date and shall be merged with this appro-
 9 priation: *Provided further,* That funds appropriated herein
 10 shall be used to purchase such foreign currencies as the De-
 11 partment determines are needed and can be used most effec-
 12 tively to carry out the purposes of this paragraph, and such
 13 foreign currencies shall, pursuant to the provisions of section
 14 104 (a), be set aside for sale to the Department before
 15 foreign currencies which accrue under said title I are made
 16 available for other United States uses.

17 COMMODITY EXCHANGE AUTHORITY

18 SALARIES AND EXPENSES

19 For necessary expenses to carry into effect the provisions
 20 of the Commodity Exchange Act, as amended (7 U.S.C.
 21 1-17a), ~~\$930,000~~ \$941,325.

22 COMMODITY STABILIZATION SERVICE

23 ACREAGE ALLOTMENTS AND MARKETING QUOTAS

24 For necessary expenses to formulate and carry out
 25 acreage allotment and marketing quota programs pursuant to

1 provisions of title III of the Agricultural Adjustment Act
2 of 1938, as amended (7 U.S.C. 1301-1393), \$40,135,000,
3 of which not more than \$6,934,400 shall be transferred to
4 the appropriation account "Administrative expenses, section
5 392, Agricultural Adjustment Act of 1938".

6 SUGAR ACT PROGRAM

7 For necessary expenses to carry into effect the provi-
8 sions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
9 \$74,500,000, to remain available until June 30 of the next
10 succeeding fiscal year: *Provided*, That expenditures (includ-
11 ing transfers) from this appropriation for other than pay-
12 ments to sugar producers shall not exceed \$2,307,000.

13 CONSERVATION RESERVE PROGRAM

14 For necessary expenses to carry out a conservation re-
15 serve program as authorized by subtitles B and C of the Soil
16 Bank Act (7 U.S.C. 1831-1837 and 1802-1814), and to
17 carry out liquidation activities for the acreage reserve pro-
18 gram, to remain available until expended, ~~\$310,000,000~~
19 ~~\$335,000,000~~, with which may be merged the unexpended
20 balances of funds heretofore appropriated for soil bank
21 programs: *Provided*, That not to exceed \$12,000,000 shall
22 be available for administrative expenses, of which not less
23 than \$10,000,000 may be transferred to the appropriation
24 account "Local administration, section 388, Agricultural
25 Adjustment Act of 1938": *Provided further*, That no part

1 of these funds shall be paid on any contract which is illegal
2 under the law due to the division of lands for the purpose
3 of evading limits on annual payments to participants.

4 FEDERAL CROP INSURANCE CORPORATION
5 OPERATING AND ADMINISTRATIVE EXPENSES

6 For operating and administrative expenses, \$6,376,000.

7 RURAL ELECTRIFICATION ADMINISTRATION

8 To carry into effect the provisions of the Rural Electri-
9 fication Act of 1936, as amended (7 U.S.C. 901-924), as
10 follows:

11 LOAN AUTHORIZATIONS

12 For loans in accordance with said Act, and for carrying
13 out the provisions of section 7 thereof, to be borrowed from
14 the Secretary of the Treasury in accordance with the pro-
15 visions of section 3 (a) of said Act, as follows: Rural electri-
16 fication program, \$110,000,000; and rural telephone pro-
17 gram, \$80,000,000; and additional amounts, not to exceed
18 ~~\$50,000,000~~ \$60,000,000 for each program, may be bor-
19 rowed under the same terms and conditions to the extent
20 that such amount is required during the fiscal year 1961
21 under the then existing conditions for the expeditious and
22 orderly development of the rural electrification program and
23 rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$9,632,000.

FARMERS HOME ADMINISTRATION

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000-1031); the Farmers Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U.S.C. 436-439); the Act of August 28, 1937, as amended (16 U.S.C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948

1 (62 Stat. 1038), and "Loans to farmers, property damage"
2 in the Act of May 24, 1949 (63 Stat. 82); the collecting
3 and servicing of credit sales and development accounts in
4 water conservation and utilization projects (53 Stat. 685,
5 719), as amended and supplemented (16 U.S.C. 590y, z—1
6 and z—10); and the Act to direct the Secretary of Agricul-
7 ture to convey certain mineral interests, approved September
8 6, 1950 (7 U.S.C. 1033-1039), as follows:

9 LOAN AUTHORIZATIONS

10 For loans (including payments in lieu of taxes and taxes
11 under section 50 of the Bankhead-Jones Farm Tenant Act,
12 as amended, and advances incident to the acquisition and
13 preservation of security of obligations under the foregoing
14 several authorities, except that such advances under title V
15 of the Housing Act of 1949, as amended, shall be made from
16 funds obtained under section 511 of that Act, as amended):
17 Title I and section 43 of title IV of the Bankhead-Jones
18 Farm Tenant Act, as amended, \$26,900,000, of which not
19 to exceed \$2,500,000 may be distributed to States and
20 territories without regard to farm population and prevalence
21 of tenancy, in addition to the amount otherwise distributed
22 thereto, for loans in reclamation projects and to entrymen
23 on unpatented public lands; title II of the Bankhead-Jones
24 Farm Tenant Act, as amended, \$197,100,000; the Act of
25 August 28, 1937, as amended, \$3,000,000: *Provided,*

1 That not to exceed the foregoing several amounts shall be
 2 borrowed in one account from the Secretary of the Treasury
 3 in accordance with the provisions set forth under this head
 4 in the Department of Agriculture Appropriation Act, 1952:
 5 *Provided further*, That an additional amount, not to exceed
 6 \$40,000,000, may be borrowed under the same terms and
 7 conditions to the extent that such amount is required during
 8 fiscal year 1961 under the then existing conditions for the
 9 expeditious and orderly conduct of the loan programs under
 10 the Bankhead-Jones Farm Tenant Act, as amended, not to
 11 exceed \$5,000,000 of which shall be available for loans
 12 under title I and section 43 of title IV of such Act, as
 13 amended.

14 SALARIES AND EXPENSES

15 For making, servicing, and collecting loans and insured
 16 mortgages, the servicing and collecting of loans made under
 17 prior authority, the liquidation of assets transferred to Farm-
 18 ers Home Administration, and other administrative expenses,
 19 ~~\$30,500,000~~ \$31,467,650, together with a transfer of not to
 20 exceed ~~\$1,000,000~~ \$1,100,000 of the fees and administrative
 21 expense charges made available by subsections (d) and (e)
 22 of section 12 of the Bankhead-Jones Farm Tenant Act, as
 23 amended (7 U.S.C. 1005 (b)), and section 10 (c) of the
 24 Act of August 28, 1937, as amended.

1 OFFICE OF THE GENERAL COUNSEL

2 SALARIES AND EXPENSES

3 For necessary expenses, including payment of fees or
4 dues for the use of law libraries by attorneys in the field
5 service, \$3,358,000.

6 OFFICE OF THE SECRETARY

7 SALARIES AND EXPENSES

8 For expenses of the Office of the Secretary of Agricul-
9 ture; expenses of the National Agricultural Advisory Com-
10 mission; stationery, supplies, materials, and equipment;
11 freight, express, and drayage charges; advertising of bids,
12 communication service, postage, washing towels, repairs and
13 alterations, and other miscellaneous supplies and expenses not
14 otherwise provided for and necessary for the practical and
15 efficient work of the Department of Agriculture, \$2,899,500:
16 *Provided*, That this appropriation shall be reimbursed from
17 applicable appropriations for travel expenses incident to the
18 holding of hearings as required by the Administrative
19 Procedure Act (5 U.S.C. 1001).

20 OFFICE OF INFORMATION

21 SALARIES AND EXPENSES

22 For necessary expenses of the Office of Information for
23 the dissemination of agricultural information and the coordi-
24 nation of informational work and programs authorized by

1 Congress in the Department, ~~\$1,478,000~~ *\$1,523,000*, of
2 which total appropriation not to exceed \$537,000 may be
3 used for farmers' bulletins, which shall be adapted to the in-
4 terests of the people of the different sections of the country,
5 an equal proportion of four-fifths of which shall be delivered
6 to or sent out under the addressed franks furnished by the
7 Senators, Representatives, and Delegates in Congress, as
8 they shall direct (7 U.S.C. 417), and not less than ~~one~~
9 ~~hundred and fifty-one thousand~~ *two hundred and thirty-*
10 *three thousand and fifty* copies for the use of the
11 Senate and House of Representatives of part 2 of the
12 annual report of the Secretary (known as the Yearbook
13 of Agriculture) as authorized by section 73 of the Act of
14 January 12, 1895 (44 U.S.C. 241), and for reprinting
15 the 1959 yearbook "Food" for the use of the Senate and
16 House of Representatives, respectively, of ~~one hundred and~~
17 ~~sixteen thousand five hundred and twenty-five~~ *fifty-eight*
18 *thousand two hundred* copies (for which not to exceed
19 ~~\$90,000~~ *\$45,000* shall be available): *Provided*, That in
20 the preparation of motion pictures or exhibits by the De-
21 partment, not exceeding a total of \$10,000 may be used
22 for employment pursuant to the second sentence of section
23 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
24 amended by section 15 of the Act of August 2, 1946 (5
25 U.S.C. 55a).

1 LIBRARY

2 SALARIES AND EXPENSES

3 For necessary expenses, including dues for library mem-
4 bership in societies or associations which issue publications
5 to members only or at a price to members lower than to sub-
6 scribers who are not members, \$895,000.

7 TITLE II—CORPORATIONS

8 The following corporations and agencies are hereby
9 authorized to make such expenditures, within the limits of
10 funds and borrowing authority available to each such corpo-
11 ration or agency and in accord with law, and to make such
12 contracts and commitments without regard to fiscal year
13 limitations as provided by section 104 of the Government
14 Corporation Control Act, as amended, as may be necessary
15 in carrying out the programs set forth in the budget for the
16 fiscal year 1961 for such corporation or agency, except as
17 hereinafter provided:

18 FEDERAL CROP INSURANCE CORPORATION FUND

19 Not to exceed \$2,630,000 of administrative and
20 operating expenses may be paid from premium income.

21 COMMODITY CREDIT CORPORATION

22 RESTORATION OF CAPITAL IMPAIRMENT

23 To partially restore the capital impairment of the Com-
24 modity Credit Corporation determined by the appraisals
25 of June 30, 1959, and June 30, 1960, pursuant to section 1

1 of the Act of March 8, 1938, as amended (15 U.S.C.
2 713a-1), \$1,226,500,000.

3 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
4 FOR COSTS OF SPECIAL ACTIVITIES

5 To reimburse the Commodity Credit Corporation for
6 authorized unrecovered costs through June 30, 1960
7 (including interest through date of recovery), as follows:
8 (1) \$32,572,000 under the International Wheat Agree-
9 ment Act of 1949, as amended (7 U.S.C. 1641-1642);
10 (2) \$107,094,000 for commodities disposed of for emer-
11 gency famine relief to friendly peoples pursuant to title II
12 of the Act of July 10, 1954, as amended (7 U.S.C. 1703,
13 1721-1724); (3) \$881,000,000 for the sale of surplus
14 agricultural commodities for foreign currencies pursuant to
15 title I of the Act of July 10, 1954, as amended (7 U.S.C.
16 1701-1709); (4) \$18,000 for grain made available to the
17 Secretary of the Interior to prevent crop damage by migra-
18 tory waterfowl pursuant to the Act of July 3, 1956
19 (7 U.S.C. 442-446); (5) \$422,950,000 for strategic and
20 other materials acquired by the Commodity Credit Corpo-
21 ration as a result of barter or exchange of agricultural com-
22 modities or products and transferred to the supplemental
23 stockpile pursuant to Public Law 540, Eighty-fourth Con-
24 gress (7 U.S.C. 1856): *Provided*, That the unexpended
25 balances of funds heretofore provided for the various pur-

1 poses under this head may remain available until expended
2 for the purposes for which appropriated and may be merged
3 with the funds provided in this paragraph.

4 LIMITATION ON ADMINISTRATIVE EXPENSES

5 Nothing in this Act shall be so construed as to prevent
6 the Commodity Credit Corporation from carrying out any
7 activity or any program authorized by law: *Provided*,
8 That not to exceed ~~\$44,726,000~~ \$45,726,000 shall be avail-
9 able for administrative expenses of the Corporation: *Pro-*
10 *vided further*, That \$1,000,000 of this authorization shall be
11 available only to expand and strengthen the sales program of
12 the Corporation pursuant to authority contained in the Cor-
13 poration's charter: *Provided further*, That not less than 7
14 per centum of this authorization shall be placed in reserve to
15 be apportioned pursuant to section 3679 of the Revised
16 Statutes, as amended, for use only in such amounts and at
17 such time as may become necessary to carry out program
18 operations: *Provided further*, That all necessary expenses
19 (including legal and special services performed on a con-
20 tract or fee basis, but not including other personal services)
21 in connection with the acquisition, operation, maintenance,
22 improvement, or disposition of any real or personal prop-
23 erty belonging to the Corporation or in which it has an
24 interest, including expenses of collections of pledged col-
25 lateral, shall be considered as nonadministrative expenses for

1 the purposes hereof: *Provided further*, (1) That no part of
2 this authorization shall be used to formulate or carry out
3 a price-support program for 1960 under which a total amount
4 of price support in excess of \$50,000 would be extended
5 through loans, purchases, or purchase agreements made or
6 made available by Commodity Credit Corporation to any
7 person on the 1960 production of any agricultural com-
8 modity declared by the Secretary to be in surplus supply,
9 unless (a) such person shall reduce his production of such
10 commodity from that which such person produced the pre-
11 ceding year, in such percentage, not to exceed 20 per centum,
12 as the Secretary may determine to be essential to bring pro-
13 duction in line within a reasonable period of time with that
14 necessary to provide an adequate supply to meet domestic
15 and foreign demands, plus adequate reserves, or (b) such
16 person shall agree to repay all amounts advanced in excess
17 of \$50,000 for any agricultural commodity within twelve
18 months from the date of the advance of such funds or at such
19 later date as the Secretary may determine, (2) that the term
20 "person" shall mean an individual, partnership, firm, joint-
21 stock company, corporation, association, trust, estate, or
22 other legal entity, or a State, political subdivision of a State,
23 or any agency thereof, (3) that in the case of any loan to, or
24 purchase from, a cooperative marketing organization, or
25 with regard to price support on an agricultural commodity

1 extended by purchases of a product of such commodity from,
 2 or by loans on such product to, persons other than the pro-
 3 ducers of such commodity, such limitation shall not apply to
 4 the amount of price support received by the cooperative
 5 marketing organization, or other persons, but the amount of
 6 price support made available to any person through such co-
 7 operative marketing organization or other persons shall be
 8 included in determining the amount of price support received
 9 by such person for purposes of such limitation, and (4) that
 10 the Secretary of Agriculture shall issue regulations prescrib-
 11 ing such rules as he determines necessary to carry out this
 12 provision; ~~Provided further, That none of the funds herein~~
 13 ~~appropriated shall be used to formulate or administer any pro-~~
 14 ~~gram which does not provide for maximum use of Govern-~~
 15 ~~ment-owned facilities for storing surplus commodities; con-~~
 16 ~~sistent with the economical operation of the Corporation.~~

17 TITLE III—RELATED AGENCIES

18 FARM CREDIT ADMINISTRATION

19 LIMITATION ON ADMINISTRATIVE EXPENSES

20 Not to exceed \$2,480,000 (from assessments collected
 21 from farm credit agencies) shall be obligated during the
 22 current fiscal year for administrative expenses.

23 FEDERAL FARM MORTGAGE CORPORATION FUND

24 The Federal Farm Mortgage Corporation is authorized
 25 to make such expenditures, within available funds and in

1 accordance with law, as may be necessary to liquidate its
2 assets: *Provided*, That funds realized from the liquidation of
3 assets which are determined by the Board of Directors to
4 be in excess of the requirements for expenses of liquidation
5 shall be declared as dividends which shall be paid into the
6 general fund of the Treasury.

7 TITLE IV—GENERAL PROVISIONS

8 SEC. 401. Within the unit limit of cost fixed by law, ap-
9 propriations and authorizations made for the Department
10 under this Act shall be available for the purchase, in addition
11 to those specifically provided for, of not to exceed three
12 hundred and thirty-seven passenger motor vehicles, of which
13 three hundred and thirty-two shall be for replacement only,
14 and for the hire of such vehicles.

15 SEC. 402. Provisions of law prohibiting or restricting
16 the employment of aliens shall not apply to employment
17 under the appropriation for the Foreign Agricultural Service.

18 SEC. 403. Funds available to the Department of Agri-
19 culture shall be available for uniforms or allowances therefor
20 as authorized by the Act of September 1, 1954, as amended
21 (5 U.S.C. 2131).

22 SEC. 404. No part of the funds appropriated by this Act
23 shall be used for the payment of any officer or employee of
24 the Department who, as such officer or employee, or on be-
25 half of the Department or any division, commission, or

1 bureau thereof, issues, or causes to be issued, any prediction,
2 oral or written, or forecast, except as to damage threatened
3 or caused by insects and pests, with respect to future prices
4 of cotton or the trend of same.

5 SEC. 405. Except to provide materials required in or
6 incident to research or experimental work where no suitable
7 domestic product is available, no part of the funds appropri-
8 ated by this Act shall be expended in the purchase of twine
9 manufactured from commodities or materials produced out-
10 side of the United States.

11 SEC. 406. Not less than \$1,500,000 of the appropriations
12 of the Department for research and service work authorized
13 by the Acts of August 14, 1946, July 28, 1954, and Sep-
14 tember 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat. 1793),
15 shall be available for contracting in accordance with said
16 Acts.

17 SEC. 407. No part of any appropriation contained in
18 this Act or of the funds available for expenditure by any cor-
19 poration or agency included in this Act shall be used for pub-
20 licity or propaganda purposes to support or defeat legislation
21 pending before the Congress.

1 This Act may be cited as the “Department of Agricul-
2 ture and Farm Credit Administration Appropriation Act,
3 1961”.

Passed the House of Representatives May 11, 1960.

Attest:

RALPH R. ROBERTS,

Clerk.

86TH CONGRESS
2D SESSION

H. R. 12117

[Report No. 1404]

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

MAY 12, 1960

Read twice and referred to the Committee on Appropriations

MAY 20, 1960

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of May 23, 1960
86th-2d, No. 93

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HIGHLIGHTS: Senate began debate on agricultural appropriation bill. House committee reported (May 20) Poage farm bill. House committee reported farm labor bill. Senate committee reported multiple use management forest bill. House committee reported (May 20) public works appropriation bill. House committee reported Federal pay raise bill.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1961. Began debate on this bill, H. R. 12117 (pp. 10025, 10043, 10044-8). At the request of Sen. Russell agreed to the committee amendments en bloc, and agreed that the bill as thus amended be considered as original text for the purpose of amendment, and that no point of order be waived against provisions of the bill (pp. 10044-5).
2. FORESTRY. The Agriculture and Forestry Committee reported with amendments S. 3044, to authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services (S. Rept. 1407). p. 9974
The Interstate and Foreign Commerce Committee reported with amendments S. 1787, to protect consumers and others against misbranding, false advertising, and false invoicing of decorative hardwood, or imitation hardwood products (S. Rept. 1405). p. 9974

3. LIBRARY SERVICES. The Labor and Public Welfare Committee reported with amendments S. 2830, to extend the time for appropriation authorizations under the Library Services Act (S. Rept. 1412). p. 9974
4. PROPERTY; LANDS. Passed without amendment H. R. 9818, to provide for the conveyance of a tract of forest land in Sumter County, Fla., to the State of Fla. This bill will now be sent to the President. p. 10041
5. MINERALS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee with amendments H. R. 10455, to revise and simplify several provisions of the Mineral Leasing Act of 1920. p. D447
6. LAND WITHDRAWALS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee without amendment S. 2587, to require an act of Congress for public land withdrawals in excess of 5000 acres in the aggregate for any project or facility of any department or agency of the Government. p. D447
7. SALINE WATER. Sen. Moss urged the enactment of legislation to provide for accelerated research and development of practical means for converting saline water to fresh water. pp. 10043-4
8. FOREIGN AFFAIRS. Sen. Mansfield inserted an address by Sen. Aiken, "A Foreign Policy for the 1960's," and stated that it is "an excellent statement of the problems which confront us in the years ahead and sets forth a sound philosophy for dealing with them effectively." pp. 10000-02
9. FARM PROGRAM. Sen. Dirksen inserted the platform adopted by the Midwest Federation of College Young Republican Clubs, including recommendations on agriculture, economic policy, education, foreign policy, and health and welfare. pp. 9980-1
10. EXPORT CONTROL. Both Houses received from the Commerce Department a quarterly report on export control. pp. 9972, 10082
11. AUDITING; REPORTS. Both Houses received from GAO a report on the review of automatic data-processing installation, New Orleans Commodity Office, CSS, USDA. pp. 9972, 10082
12. WATER POLLUTION. Received from HEW a proposed bill "to strengthen the enforcement provisions of the Federal Water Pollution Control Act and extend the duration of the authorization of grants for State water pollution control programs"; to Public Works Committee. p. 9972
13. PROPERTY TAXES. Received a Nevada Legislature resolution urging Congress to establish a system of payments in lieu of taxes to Nevada or its local governments on Federal property within the State. p. 9973
14. WATER RIGHTS. Received a Nevada Legislature resolution urging Congress to enact legislation to provide that States shall have primary responsibility and authority for the administration and development of water resources within their boundaries. p. 9973
15. LEGISLATIVE PROGRAM. Agreed to a unanimous consent request by Sen. Mansfield to vote at 2 p.m., May 24, on the question of overriding the President's veto of S. 722, the depressed areas bill. p. 10043

CONNIE YOUNG

The resolution (S. Res. 316) to pay a gratuity to Connie Young was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Connie Young, widow of Charlie A. Young, an employee of the Architect of the Capitol assigned to duty in the Senate Office Buildings at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

MARY NELL SISSON

The resolution (S. Res. 317) to pay a gratuity to Mary Nell Sisson was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Mary Nell Sisson, widow of W. D. Sisson, an employee of the Senate at the time of his death, a sum equal to three months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

REPRINTING OF JOINT COMMITTEE PRINT ENTITLED "SUMMARY-ANALYSIS OF HEARINGS ON BIOLOGICAL AND ENVIRONMENTAL EFFECTS OF NUCLEAR WAR"

The concurrent resolution (S. Con. Res. 97) authorizing the reprinting of the Joint Committee print entitled "Summary-Analysis of Hearings, June 22-26, 1959, on Biological and Environmental Effects of Nuclear War" was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be reprinted for the use of the Joint Committee on Atomic Energy six thousand additional copies of the Joint Committee print entitled "Summary-Analysis of Hearings, June 22-26, 1959, on Biological and Environmental Effects of Nuclear War" printed for the use of the Joint Committee on Atomic Energy during the Eighty-sixth Congress, first session.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1961

Mr. MANSFIELD. Mr. President, is the Agricultural Appropriation bill before the Senate at the present time?

The PRESIDING OFFICER. It is not before the Senate.

Mr. MANSFIELD. Is it on the calendar?

The PRESIDING OFFICER. It is on the calendar, but not before the Senate.

Mr. MANSFIELD. Mr. President, I move that it be laid down and made the pending business.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. Calendar No. 1467, H.R. 12117, making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

Mr. MANSFIELD. I merely wish to have the bill laid down as the pending or unfinished business. If it is possible during the day, we shall try to debate the measure and, if we can, reach the third reading of the bill. There will be no votes on the bill today if we reach it, but if we do get to third reading, there will be a yea-and-nay vote on the appropriation bill tomorrow.

Mr. KUCHEL. I am not familiar with the position which the members of the Committee on Appropriations on this side of the aisle may take with respect to the bill. I ask the Senator from Montana whether, if any investigation on our part determines that they desire to offer amendments, he will be a little flexible with respect to the time element.

Mr. MANSFIELD. Oh, yes, indeed. I may say that I discussed this subject this morning with the minority leader, the distinguished Senator from Illinois [Mr. DIRKSEN], the distinguished Senator from Vermont [Mr. AIKEN], and with other Senators. All things being agreeable, they would just as soon have the bill taken up this afternoon.

Mr. KUCHEL. I thank the Senator from Montana.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments.

THE IMPACT OF THE SHIPBUILDING INDUSTRY UPON THE NATIONAL ECONOMY

Mr. BUTLER. Mr. President, yesterday, May 22, was officially designated as Maritime Day by Presidential proclamation. This affords me a timely opportunity to make certain remarks and comments on the merchant marine and maritime industry of this Nation. I have always felt that this vital segment of our national defense and our national economy has not received a sufficiently vigorous emphasis and attention commensurate with its status of importance.

INTRODUCTION AND HISTORY

Prior to World War I, the United States had virtually no maritime industry. Our foreign trade was conducted by ships of other nations. It became necessary for us to construct vessels in order to maintain our trading position during the period of neutrality between 1914 and 1917 when British, French, and German vessels were denied to us.

In 1916, the Congress enacted a Shipping Act "to establish a U.S. Shipping Board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States;

and for other purposes."¹ We found it difficult and expensive to become a maritime power in a very short period of time.

After the outbreak of hostilities in the spring of 1917, an intensive program was instituted to build ships to transport troops and supplies to the European battlefield and to act as auxiliaries to our growing Navy.

At the end of World War I, many of these costly shipbuilding facilities were abandoned, the vessels were sold, scrapped, or laid up, and within a very few years, most of our international trade was again transported by ships flying foreign flags.

The Merchant Marine Act of 1920 ostensibly provided "for the promotion and maintenance of the American merchant marine," but it repealed "certain emergency legislation" and provided "for the disposition, regulation, and use of property acquired thereunder, and for other purposes."²

In 1928, the Congress enacted a Merchant Marine Act "to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes."³

On March 4, 1935, President Franklin D. Roosevelt presented to the Congress a report which had been prepared by an interdepartmental committee known as the "Committee on Shipping Policy," appointed June 18, 1934, by the Secretary of Commerce, together with another report from the Postmaster General on ocean mail contracts prepared pursuant to an Executive order of July 11, 1934.⁴

In his message to the Congress, President Roosevelt said:

I present to the Congress the question of whether or not the United States should have an adequate merchant marine.

To me there are three reasons for answering this question in the affirmative. The first is that in time of peace, subsidies granted by other nations, shipping combines, and other restrictive or relating methods may well be used to the detriment of American shippers. The maintenance of fair competition alone calls for American-flag ships of sufficient tonnage to carry a reasonable portion of our foreign commerce.

Second. In the event of a major war in which the United States is not involved, our commerce, in the absence of an adequate American merchant marine, might find itself seriously crippled because of its inability to secure bottoms for neutral peaceful foreign trade.

Third. In the event of a war in which the United States itself might be engaged, American flagships are obviously needed not only for naval auxiliaries, but also for the maintenance of reasonable and necessary commercial intercourse with other nations. We should remember lessons learned in the last war.

¹ The Merchant Marine Act, 1936, the Merchant Ship Sales Act of 1946, the Merchant Marine Act, 1920, the Shipping Act, 1916, and the Merchant Marine Act, 1928, (as amended through the 84th Cong.), 85th Cong., 1st sess., report by the Senate Committee on Interstate and Foreign Commerce, p. 139.

² Op. cit., p. 112.

³ Ibid., p. 155.

⁴ CONGRESSIONAL RECORD, vol. 79, pt. 3, 74th Cong., 1st sess., Mar. 4, 1935, pp. 28, 59-60.

In many instances in our history the Congress has provided for various kinds of disguised subsidies to American shipping. In recent years the Congress has provided this aid in the form of lending money at low rates of interest to American shipping companies for the purpose of building new ships for foreign trade. It has, in addition, appropriated large annual sums under the guise of payments for ocean mail contracts.

This lending of money for shipbuilding has in practice been a failure. Few ships have been built and many difficulties have arisen over the repayment of the loans. Similar difficulties have attended the granting of ocean mail contracts. The Government today is paying annually about \$30 million for the carrying of mails which would cost, under normal ocean rates, only \$3 million. The difference, \$27 million, is a subsidy, and nothing but a subsidy. But given under this disguised form it is an unsatisfactory and not an honest way of providing the aid that Government ought to give to shipping.

I propose that we end this subterfuge. If the Congress decides that it will maintain a reasonably adequate American merchant marine I believe that it can well afford honestly to call a subsidy by its right name.

Approached in this way a subsidy amounts to a comparatively simple thing. It must be based upon providing for American shipping Government aid to make up the differential between American and foreign shipping costs. It should cover, first, the difference in the cost of building ships; second, the difference in the cost of operating ships; and finally, it should take into consideration the liberal subsidies that many foreign governments provide for their shipping. Only by meeting this threefold differential can we expect to maintain a reasonable place in ocean commerce for ships flying the American flag, and at the same time maintain American standards.⁵

On April 15, 1935, Senator Royal S. Copeland, of New York, introduced a bill, S. 2582, 74th Congress, to implement this program.⁶ It ultimately became the Merchant Marine Act of 1936. This basic legislation established as a declaration of policy that:

SEC. 101. It is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a merchant marine (a) sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times, (b) capable of serving as a naval and military auxiliary in time of war or national emergency, (c) owned and operated under the U.S. flag by citizens of the United States insofar as may be practicable, and (d) composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel. It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine.⁷

⁵ Op. cit., pp. 2859-2960.

⁶ CONGRESSIONAL RECORD, vol. 79, pt. 5, 74th Cong., 1st sess., Apr. 15, 1935, pp. 5617-5618.

⁷ The Merchant Marine Act, 1936, the Merchant Ship Sales Act of 1946, the Merchant Marine Act, 1920, the Shipping Act, 1916, and the Merchant Marine Act, 1928 (as amended through the 84th Cong.), 85th Cong., 1st sess., report by the Senate Committee on Interstate and Foreign Commerce, p. 1.

This act also created an independent agency known as the U.S. Maritime Commission.⁸ Later it was abolished by Reorganization Plan No. 21 of 1950, and its functions were transferred to the Department of Commerce.⁹

The wisdom of this act was quickly justified by the situation which confronted the United States as we approached World War II. Once again, foreign shipping was unavailable and it became imperative for us to construct vessels on an emergency basis to handle our cargoes during the period of so-called neutrality, prior to Pearl Harbor. Lend-lease shipments as well as normal commercial trade were completely dependent on American shipping, since German submarines and British cruisers made it virtually impossible for other nations to carry our cargoes with any degree of safety.

After the United States became a belligerent, American shipbuilding of all types was expanded, since we had the task of feeding our Allies and supplying our troops in every theater of action during World War II. At the conclusion of this conflict, the United States once again had a large surplus of ships, and the fleets of other maritime powers were depleted due to enemy action.

This relative advantage did not continue for any lengthy period because American vessels had been hastily constructed. Many of them had inadequate engines, had a low speed capacity, and could not compete with the newer and more modern ships which other maritime nations rapidly started to build. One of the final acts of President Truman was to send a message to the Congress concerning the maritime subsidy programs. On January 16, 1953, he advised Congress as follows:

I believe that the one compelling justification which now exists for subsidizing an American-flag merchant fleet is the national defense requirement. For this purpose, we cannot reasonably expect to keep in active peacetime operation the number of ships that would be needed in the event of war. We must instead concentrate upon maintaining a modern and efficient nucleus fleet, capable of rapid expansion in the event of mobilization. We must supplement this active nucleus with a well-maintained reserve fleet of inactive vessels, and with an effective shipbuilding industry.¹⁰

It should be noted that an effective shipbuilding industry was an essential element of our program of maintaining our defense posture without accumulating all of the vessels that would be needed during a period of hostilities. President Truman continued:

If we satisfy fully such defense requirements for an active fleet, we could at the same time satisfy, in large measure, whatever requirements may exist for an American merchant marine for national economic and national prestige reasons.

Since the cost of supporting even the presently subsidized fleet has grown substantially in recent years, the Government

⁸ Ibid.

⁹ U.S. Government Organization Manual, 1959-60, pp. 689-690.

¹⁰ CONGRESSIONAL RECORD, vol. 99, pt. 1, 83d Cong., 1st sess., Jan. 20, 1953, p. 449.

should, I believe, be most hesitant to undertake commitments for even broader subsidies, unless a compelling national defense need is established.

Since most of the ships now in operation are adequate in size and speed to meet existing competition, the shipping lines have little incentive to incur the higher capital costs of postwar replacements until their present ships reach a normal retirement age of 20 years. This problem could be overcome by a temporary amendment to the 1936 act, authorizing the Maritime Board to provide liberal trade-in allowances as a special incentive for advance replacement of a portion of the present fleets.¹¹

In May 1954, the Under Secretary of Commerce for Transportation, Mr. Robert Murray, presented a report which had been prepared by the Maritime Administration, in cooperation with the Defense Department, to the Commerce Subcommittee of the Senate Committee on Interstate and Foreign Commerce. This report recommended the construction of 60 new commercial vessels a year which would provide the nucleus of a wartime merchant fleet while avoiding the problem of block obsolescence.

In addition, it concluded that the United States needs approximately 36,000 shipyard workers as a peacetime nucleus on which to base a future wartime building program. In 1953 there were only 23,000 workers employed in our large coastal shipyards. Secretary Murray believed that during 1954 this force would decline to about 10,800 workers, and to 1,200 workers by 1955, unless a 60-ship annual building program was instituted.¹²

The Murray report made nine specific recommendations. Among them were the following:

1. Appropriations for pending applications for construction-differential subsidy: The Department of Commerce should request appropriations to cover the Government's share of the cost of construction of ships for which construction-differential subsidy applications are pending. New ship construction should be financed privately to the greatest extent possible. However, if Government financing is required requested appropriations should exclude the purchaser's downpayment.

2. Construction revolving fund: The revolving fund authorized under section 206 of the Merchant Marine Act, 1936, as amended, should be made available for use in connection with ship construction, conversion, betterments, research and development. There should be authorized for deposit in this fund (1) appropriations for ship construction; (2) receipts from sale of ship mortgages; (3) interest and principal payments on ship mortgages owned by the Government; and (4) sale and charter receipts. Reports on the activities with respect to the source and application of such funds should be made periodically to Congress.

3. Procedure for the determination of construction subsidy: The Department of Commerce should request legislation to facilitate the determination of construction-differential subsidy rates. Provisions required are: (1) The Board should be authorized to determine construction-differential subsidy

¹¹ Ibid.

¹² Daily report of executives, the Washington Daily Reporter System, division of the Bureau of National Affairs, Inc., Washington, D.C., No. 85, May 3, 1954, p. A-1.

totals include residual fuel oil which we do not produce in sufficient quantities in this country to meet our needs. However, excluding residual fuel oil, the facts show that the other oil imports are running far in excess of the total which the Cabinet Committee in 1954 declared must not be exceeded if our national security position is to be preserved.

Mr. President, as I mentioned earlier, imports are only one factor but a big factor. I, therefore, urgently call upon the President and the responsible officials in Government concerned with oil import policies to immediately take a cold, hard look at this situation and see if the goals they laid down when import controls were established are being met. This situation calls for immediate action as I understand the administrator of the program is now in the process of establishing the allowable imports for the second half of 1960. Once these are established, it would be very difficult to change them. Therefore, I urgently suggest that a reevaluation be made right now of the total level of imports to the end that sufficient reductions can be made to assure that our national security goals will be met.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1961

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1467, House bill 12117, so that the bill will become the pending business.

The PRESIDING OFFICER (Mr. ENGLE in the chair). Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. RUSSELL obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I am glad to yield to the distinguished Senator from Montana.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. RUSSELL. I am very glad to yield to the acting majority leader.

ORDER FOR ADJOURNMENT TO 10 O'CLOCK A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I should like to make a request which may, in the end, turn out to be tentative.

I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIMITATION OF DEBATE ON VETO BY THE PRESIDENT OF THE AREA REDEVELOPMENT BILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at 2 o'clock tomorrow, a ye-and-nay vote be taken on the proposal to override the President's veto of the depressed areas bill, with the time to be divided equally between the proponents and opponents of the measure.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Mr. President, by that statement, I assume the acting majority leader means the time is to be controlled by the leadership.

Mr. MANSFIELD. Yes; by the majority leader and by the minority leader.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the unanimous-consent request is agreed to.

ORDER FOR LIMITATION OF MORN- ING HOUR TOMORROW

Mr. DIRKSEN. Mr. President, I should like to ask the acting majority leader if it is contemplated that there be a morning hour tomorrow.

Mr. MANSFIELD. I presume there will be a morning hour, which I hope will not take up too much time; but, in order to overcome that particular aspect of the problem, I ask unanimous consent that there be a morning hour tomorrow, and that the morning hour be concluded by 11 o'clock a.m.

The PRESIDING OFFICER. Without objection, the unanimous consent request is agreed to.

The unanimous-consent agreements subsequently reduced to writing, are as follows:

UNANIMOUS CONSENT AGREEMENTS

Ordered, That when the Senate concludes its business today it adjourn until 10 o'clock a.m. tomorrow (Tuesday, May 24, 1960); that morning business be in order, and that at 11 o'clock a.m. the Senate proceed to the consideration of the question of overriding the veto of the President of S. 722, the Area Development Act; that at the hour of 2 o'clock p.m., the Senate proceed to vote by yeas and nays on said question, and that the intervening time be equally divided between the proponents and the opponents, and controlled, respectively, by the majority leader and the minority leader. (May 23, 1960.)

RESEARCH ON CONVERSION OF SALINE WATER TO FRESH WATER

Mr. MOSS. Mr. President, I rise to announce my cosponsorship of the bill (S. 3557) introduced by the distinguished majority leader [Mr. JOHNSON of Texas], together with the Senator from New Mexico [Mr. ANDERSON], and others, to provide for accelerated research and development of practical means for converting saline water to fresh water suitable for consumptive use.

The bill removes present restrictions of time and money on the desalinization program, and provides loans to communities to build developmental conversion plants.

While desalinization of seawater is not expected to provide a direct supply for interior States like mine, at least, not very soon, we in Utah have a real interest in seeing our sister States, and California in particular, develop adequate water supplies from seawater.

Today, Utah and southern California both look to the same source—the Colorado River—for much of the water to support a rapid growth of population and industry. California has just received a blow in the recommendation of a special master of the U.S. Supreme Court for division of the water of the lower Colorado.

We in Utah have long been at odds with California over the division of the Colorado waters between the lower and the upper basin States. The real solution to the problem, however, is for us to work together to develop an alternative means of providing California with the water she needs. This would then relieve pressure to claim for California a larger portion of the Colorado streamflow. The upper basin States would be safe in their use of the water.

Since all of the Nation's present supplies of water that are inexpensive and readily accessible are already in use, we look to a means of making available the enormous resources of the sea.

The Office of Saline Water has done a creditable job with the funds and personnel it has. Three experimental plants will soon be under construction, and plans are going forward for the establishment of the two more that have been authorized by Congress.

I agree with the Senator from Texas [Mr. JOHNSON], however, that, despite real efforts, we are losing this water race. Our progress on desalinization is too slow, and present storage and conservation efforts are not keeping pace with increased water demand.

Our society has reached the place where the necessities and uses of water are so tremendous that they stagger the imagination. It has taken us 352 years to build up our population of 180 million Americans. Yet the Census Bureau assures that the number will double in the next 40 years.

This means that the Nation as a whole will require 2½ times as much municipal water in 1980 as was used 5 years ago. And the statistics on the coming water needs of agriculture, manufacturing, metal fabricating, and the new synthetic industries, which have been previously cited in the Senate and with which the Members are familiar, tell the same story.

Mr. President, there is another aspect to America's water problem that has particular significance in view of the tragic international developments of the past week.

As the Senate is aware, I had the opportunity of visiting Soviet Russia last fall as head of a subcommittee representing the Committee on Interior and Insular Affairs and the Committee on Pub-

lic Works. Our task was to study comparative water and power resource development. One of the points made by the subcommittee report is this—that the Soviet Union possesses the largest water resources in the world. Russia has about 10 percent of our earth's supply of fresh water, compared to our 3 percent.

It is true that a portion of the water in Siberia is difficult to develop because it flows northward into the icebound Arctic Ocean, it is true that much of Russia's water is great distances from the centers of population; but this still leaves Russia with vastly greater water resources than we enjoy.

And, Mr. President, it must be said that the Eisenhower-Nixon administration has failed to recognize the vital character of our water problem, and has refused to follow policies calculated to develop supplies fast enough to keep up with demand. In some cases, our attempts to solve the problem have been ridiculed.

I refer to the vote of Congress to override the President's veto of the public works appropriation bill last session, which Press Secretary James Hagerty was allowed to call the "lure of the pork barrel." Yet these projects were for flood control—to prevent wasting of water; or for small water projects—to use water supplies more efficiently.

And the "no new starts" policy has unreasonably slowed the development of water storage and development projects. Incidentally, this policy was quietly dropped for this election year.

The President even vetoed the bill to use adequate amounts of Federal funds to assist and encourage States and localities to control water pollution. Yet the fact is that we are losing this race also—we are contaminating our water at a faster rate every year.

The leadership in providing adequate water supplies has therefore had to come from Congress. And this leadership is welcomed by the States and municipalities which are daily struggling with this problem.

One forward-looking step taken by the Senate is the appointment of the Select Committee on National Water Resources, which is making a study of the Nation's future water needs and supplies. We have held public hearings in all sections of the country, and are issuing a series of comprehensive reports covering all phases of our water problems. Our report will be made to the Senate next year.

In the meantime, I am pleased to support this move to step up all phases of our saline water program. This bill provides for improved research, for process development in both pilot and full-scale plants, and for establishment of a needed central testing laboratory. Economic studies will be undertaken to provide communities with the cost figures they need to make intelligent decisions on the possibility of using desalinization for municipal water supply.

In addition, the bill provides for loans to communities to aid plant construction. Many communities could now

provide their water supplies more cheaply through commercial desalinization. They hesitate to do so because of uncertainty, the expense involved, and the general lack of knowledge in this field.

In many places in this Nation, we already have a water shortage. The Geological Survey tells us that there were 1,000 communities in 47 States that had to restrict water use in 1957. The Department of Commerce estimates that the cities and towns of America must invest \$80 billion in the next 20 years to keep abreast of their requirements for municipal and industrial water. A reasonable expenditure now to provide the research and development to make our greatest potential source of water—the sea—available for human use is one of the wisest investments we can make in the future of America.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

Mr. RUSSELL. Mr. President, do I correctly understand that H.R. 12117, the annual appropriation bill for the Department of Agriculture, has been made the unfinished business?

The PRESIDING OFFICER. That is correct.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, that the bill as thus amended be considered as original text for the purpose of amendment, and that no point of order be waived.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

The committee amendments agreed to en bloc are as follows:

On page 3, line 7, after the word "stations", to strike out "\$67,934,000" and insert "\$70,247,600", and in line 10, after "(21 U.S.C. 113a)", to strike out the comma and "or to not to exceed \$1,000,000 to remain available until expended for the construction and alteration of buildings."

On page 4, at the beginning of line 1, to strike out "\$52,011,000" and insert "\$52,236,000", and in line 5, after the word "conditions", to insert a colon and "Provided, That no funds shall be used to formulate or administer a brucellosis eradication program for fiscal year 1962 that does not require minimum matching by any State of at least 40 per centum."

On page 4, line 14, after the word "employed", to strike out "under contracts and cooperative agreements".

At the top of page 6, to insert:

"CONSTRUCTION OF FACILITIES

"For construction of facilities and acquisition of the necessary land therefor by donation or exchange, \$3,700,000, to remain available until expended: *Provided*, That \$300,000 of the amount appropriated herein shall be available for payment of expenses for construction of a headquarters-laboratory building at the National Arboretum, which is hereby authorized to be constructed

under contract authorization in an amount not to exceed \$1,500,000."

On page 6, line 16, after the word "Agriculture", to strike out "\$31,053,000" and insert "\$32,053,708," and in line 19, after the word "all", to strike out "\$31,553,000" and insert "\$32,553,708".

On page 7, line 24, after "(7 U.S.C. 347a)", to strike out "\$54,220,000" and insert "\$56,220,000"; on page 8, line 2, after the word "all", to strike out "\$55,715,000" and insert "\$57,715,000", and in line 7, after the word "year", to strike out the colon and "Provided further, That all of the additional funds provided herein shall be used to meet expenses at the county level."

On page 8, line 12, after the word "employees", to strike out "\$5,875,000" and insert "\$5,961,000".

On page 8, line 22, after the word "possessions", to strike out "\$2,255,000" and insert "\$2,275,000".

On page 17, line 2, after the word "estimates", to strike out "\$16,315,000" and insert "\$16,605,000".

On page 17, after line 9, to insert:

"Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States, \$26,579,900, including not to exceed \$25,000 for employment at rates not to exceed \$50 per diem, except for employment in rate cases at not to exceed \$100 per diem pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946."

On page 18, line 25, after "(7 U.S.C. 1766)", to strike out "\$4,447,000" and insert "\$4,487,000", and on page 19, at the beginning of line 7, to strike out "\$2,493,000" and insert "\$2,539,000".

On page 19, line 21, after the word "expended", to insert "of which amounts not less than \$4,400,000 shall be available to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States: *Provided*, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States".

On page 20, line 21, after "(7 U.S.C. 1-17a)", to strike out "\$930,000" and insert "\$941,325".

On page 21, line 18, after the word "expended", to strike out "\$310,000,000" and insert "\$335,000,000".

On page 22, at the beginning of line 18, to strike out "\$50,000,000" and insert "\$60,000,000".

On page 25, at the beginning of line 19, to strike out "\$30,500,000" and insert "\$31,467,650", and in line 20, after the word "exceed", to strike out "\$1,000,000" and insert "\$1,100,000".

On page 27, line 1, after the word "Department", to strike out "\$1,478,000" and insert "\$1,523,000"; in line 8, after the word "than", to strike out "one hundred and fifty-one thousand" and insert "two hundred and thirty-three thousand and fifty"; in line 16, after the word "of", where it occurs the second time, to strike out "one hundred and sixteen thousand five hundred and twenty-five" and insert "fifty-eight thousand two hundred", and at the beginning of line 19, to strike out "\$90,000" and insert "\$45,000".

On page 30, line 8, after the word "exceed", to strike out "\$44,726,000" and insert "\$45,726,000", and on page 32, line 12, after the word "provision", to strike out the semicolon and "Provided further, That none of

the funds herein appropriated shall be used to formulate or administer any program which does not provide for maximum use of Government-owned facilities for storing surplus commodities, consistent with the economical operation of the Corporation."

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. RUSSELL. Mr. President, I have a brief statement to make regarding some of the items in the agricultural appropriation bill.

As reported to the Senate, the bill carries direct appropriations in the amount of \$4,000,222,683. This bill is \$135 million under the budget estimates, and \$62.3 million over the figure as passed by the House. For the regular activities of the Department, \$1.33 million is recommended, which is \$11.4 million under the budget requests.

RESTORATION OF CAPITAL IMPAIRMENT OF CCC, AND REIMBURSEMENT TO CCC FOR SPECIAL PROGRAMS

An appropriation of \$1,226,500,000 is carried in the bill to restore the capital impairment of the CCC. This includes \$632 million for the balance of losses incurred in fiscal 1959, and \$594,500,000 of the estimated losses for fiscal 1960. The difference of \$98,500,000 between the estimate and the amount proposed in the bill will have to be restored in some future appropriation bill.

An appropriation of \$1,443,634,000 is recommended to reimburse CCC for the estimated cost in fiscal 1960 of carrying out several authorized programs.

The principal committee changes from the bill as it passed the other body are as follows:

MARKETING SERVICES

First. The restoration to the bill of the "Marketing services" item of \$26,579,900. This item was stricken in the House on a point of order.

Mr. President, in this item there is included the sum of \$10,296,000 for poultry inspection, as requested in the budget, together with funds requested for several marketing services programs.

The administration has proposed legislation, which is pending before the standing committee on Agriculture and Forestry, dealing with continuation of authority to exempt poultry-food-processing food plants from mandatory inspection.

Unless the Congress enacts the proposed legislation before next July 1, the Department will be required, under the poultry products inspection law, to provide federally supervised inspection to further processing plants which the Secretary is now permitted by law to exempt from inspection. In that event, the Department will be obliged to submit a supplemental budget request to cover the additional cost of inspection in the poultry-food-processing plants. Included in that category are a wide variety of mixed foods, such as chicken pies, chicken with vegetables of one kind and another, and canned chicken.

CONSERVATION RESERVE PROGRAM

Second. The other major increase over the House recommended by the committee is a restoration of \$25 million to make the mandatory rental payments, and for other costs under the conserva-

tion reserve program. The program authorization to enter into new contracts has expired, but this appropriation item will be required for several years for the contracts in force. The amount of \$335 million is recommended, the same amount as for 1960, which, together with balances carried forward of about \$20 million, should provide the funds required for fiscal 1961.

RESEARCH AND EXTENSION

The committee recommends an appropriation of \$70,247,600 for the Agricultural Research Service. This amount is \$1,265,900 over the budget request and is \$2,313,600 over the amount provided in the other body.

The bill includes the full increase in the budget estimate of \$1,502,800 for accelerating research to avoid pesticide residues, an increase of \$1,200,000 for utilization research.

The committee recommends several increases outside the budget which, it believes, are urgently needed, totaling \$1.5 million over the House bill. It also recommends that \$3.7 million be appropriated for the construction of new research facilities for pesticide residues, poultry disease, and management for the National Arboretum, and for plans and specifications for soil and water research facilities.

PAYMENTS TO STATES FOR RESEARCH AND EXTENSION

The committee recommends a \$1 million increase for payments to State experiment stations. This is the increase requested in the budget and it was denied by the other body.

For payments to the States for cooperative extension work, an increase of \$4 million over fiscal 1960 is recommended. This is \$1,135,000 over the budget request.

A provision in the other body restricting the use of increased funds to the county offices has been stricken from the bill.

SOIL CONSERVATION ACTIVITIES

The committee concurs in the House action to restore to \$250 million the advance authorization for the 1961 ACP program. This is the third successive year that the President's budget has requested a reduction of either \$125 or \$150 million in the advance authorization for the ACP program.

For programs administered by the Soil Conservation Service, the committee recommends an appropriation of \$143,132,000, which is \$7.5 million over the estimates and almost \$10 million over fiscal 1960.

SCHOOL LUNCH AND SCHOOL MILK

The bill carries a total of \$155 million of Federal financing for the school lunch program, of which \$45 million is from section 32 funds. This is a \$5 million increase over the budget for section 32 funds.

In addition to the \$155 million of Federal funds provided in this bill, an estimated \$90 million of funds will be available under the special milk program. In addition, surplus foods acquired through CCC operations and surplus removal programs will be available for donation to the school lunch program. In fiscal 1960

these donations of food commodities are estimated to have a value of \$73 million.

LOAN AUTHORIZATIONS

The bill provides \$280 million for electrification loans. This is comprised of \$110 million regular authorization, requested in the budget, a carryover into 1961 of \$110 million, and a contingency authorization of \$60 million.

For telephone loans, a total available authorization of \$141 million is provided. This is comprised of a carryover of \$1 million, regular authorization of \$80 million, and a \$60 million contingency authorization.

The committee recommends regular authorization of \$227 million for lending programs administered by the Farmers Home Administration. This compares with \$226 million used this fiscal year. This is \$50 million over the budget estimate. In addition, a contingency authorization of \$40 million is provided.

Mr. President, on tomorrow I can discuss these and any of the other items in the bill, and I shall undertake to answer any questions which may be propounded.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I am delighted to yield to the distinguished Senator from Kansas.

Mr. CARLSON. I should like to ask the distinguished Senator, the chairman of the subcommittee, a question in regard to an appropriation we have had in Kansas for many years with respect to research funds for a study of electricity in our State, through the Kansas State College. We have, I think, the finest relations between the private power companies in Kansas and the Rural Electrification Administration, working together. Excellent progress has been made. These groups have cooperated by contributing funds, to be used with Federal funds, for the study of uses of electricity.

I have a telegram from the dean of agriculture and the head of the Department of Agricultural Engineering of the Kansas State College, which I should like to have printed as a part of the RECORD, and I should like to ask the Senator if he has any comment in this regard.

Mr. RUSSELL. Mr. President, as the Senator has correctly stated, research as to the uses of electricity on the farm has been carried on in various forms for some years. This year, for some reason, the Bureau of the Budget recommended that that project be discontinued, but due to a revision of terms in the appropriation bill, for which the subcommittee can claim no direct credit—we merely approved what came from the other body—the same amount of money has been made available for the work at Manhattan as was expended during the present fiscal year.

Mr. CARLSON. Mr. President, we in Kansas appreciate that very much. We know the money is not wasted. It serves a very useful purpose. I am delighted to learn that the work will be continued.

I ask unanimous consent, Mr. President, that the telegram to which I have referred be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the *RECORD*, as follows:

MANHATTAN, KANS.

Hon. FRANK CARLSON,
U.S. Senate Building,
Washington, D.C.

The Kansas Agricultural Experimental Station assisted by funds from Kansas Electric Power Suppliers and cooperating with the Farm Electrification Branch, ARS, USDA, has developed a program of constructive research directed at the betterment of farm living and the improvement of farm production efficiency.

Current research efforts are concerned primarily with utilization of electric equipment and controls to provide comfort conditions for the farm home, to modify and control environment for livestock and poultry, to dry crops and to utilize solar energy as a source of supplemental heat in agriculture.

We understand that USDA research funds may be diverted from this program. Loss of these funds would seriously disrupt the continuity and orderly progress of research that has received wholehearted support from experiment station and industry personnel the past 12 years.

A. W. WEBER,
Dean of Agriculture.
G. H. LARSON,
Head of Department of Agricultural
Engineering.

Mr. RUSSELL. Mr. President, the rural electric cooperatives have requested substantial increases in the item for research.

Mr. CARLSON. Mr. President, will the Senator yield further in regard to the research program?

Mr. RUSSELL. I am not inviting any amendments, but I wish to support the Senator's statement as to the importance of the work.

Mr. CARLSON. I assure the Senator that I shall not offer any amendments. I desired to make a short comment as to research.

I am delighted to note from the report that the committee has increased the appropriations for research. I notice the committee added several additional research items. I am not going to discuss those, but they are to be found beginning on page 2 of the report. The committee is recommending different establishments in different areas and in different fields.

Mr. President, those of us interested in wheat realize it is a major farm problem and one of the problems in dealing with this subject is the surplus.

Congress has approved legislation which restricts production through acreage controls and votes substantial sums of money for the export of the commodity.

It is my opinion that one place that we are lacking in is research. This appropriation bill recommends \$70,247,600 for research. This research is for all farm research programs and is used directly and cooperatively with State institutions.

It is not my intention to offer an amendment to the pending bill for establishment of a modern grain research laboratory on or near the campus of the State university at Manhattan.

I mention it at this time because in the next session of Congress, I expect to introduce legislation and urge its ap-

proval, which would give our Nation a sound, adequately staffed, well-rounded research organization which would be housed in facilities that would be in keeping with the needs for research on wheat.

Our present program of research is handicapped and limited in scope and is progressing more slowly than is necessary or desirable because of the absence of the following types of modern research equipment and facilities:

First. A battery of small controlled temperature-humidity rooms for use on grain storage and grain insect and micro-organism activity as related to conditions of temperature and humidity. Facilities for exploring sealed grain storage would be needed to determine the effect of air composition on grain quality and insect activity.

Second. Modern equipment and instruments for grain quality evaluation research including the latest scientific instruments and small milling and baking equipment for rounding out work on wheat quality particularly in relation to grade standards and to milling and baking performance.

Third. Facilities for employing radioactive tracers for determining airflow patterns, the movement of fumigants, and insect activity through stored grains.

Fourth. Facilities for exploring irradiation treatment for control of insects in stored grains.

Fifth. Pilot plant space in which temporary experimental equipment can be erected for the purpose of testing out new research developments in the area of grain quality maintenance.

Sixth. A small engineering and instrumentation shop.

Seventh. Modern offices and chemical, entomological and engineering laboratories.

To accomplish the above-mentioned research objectives, a team approach of engineers, chemists, entomologists and other scientists is required. The work of the research team housed in the proposed facilities should be directed toward solution of problems in three broad areas. They are:

First. Quality identification and measurement; in other words, developing a better basic understanding of the inherently useful quality characteristics of wheat and other grains. With this information develop more meaningful grain standards and more objective instruments and methods of measuring wheat quality in the market.

Second. Prevention of damage to wheat quality during drying, conditioning, handling, storage, and transportation would come in for major research attention. New methods and equipment for use in the above operations would be explored. Basic studies of optimum storage environment, moisture equilibrium, micro-organism activity during storage and transportation and basic changes in wheat composition during storage and their effect on milling and baking quality would be analyzed.

Third. Research having to do with the control of insect damage to grain in storage, milling, and transportation

channels should be strengthened. A small unit with responsibility for stored grain insect research is now located in Manhattan, Kans., in a wholly inadequate, rented private dwelling and temporary structures in the backyard. Because of the recent problems in the field of pesticide residues, added attention should be given to new chemical treatments and methods of applying chemicals that would control insect infestation and reduce or eliminate residues in grain and grain products.

The Great Plains Wheat Market Development Association, which is an organization representing wheatgrowers in the Midwest, is supporting this program and in the next session of Congress, we hope to come up with some definite figures and will recommend an appropriation for the construction of this wheat research laboratory.

I informed the distinguished chairman of the subcommittee that I shall not offer any amendments at this time, but I serve notice that in the next session of Congress I am going to see if we can provide funds for the establishment of a research laboratory which will go into this subject thoroughly.

I merely bring up this subject at this time because I feel keenly the importance of research in the field of wheat, not only with respect to the type of wheat we export but also with respect to the uses of wheat. I am pleased to see that the committee recognizes the value of research generally.

Mr. RUSSELL. I thank the Senator.

If the Senator will look into the subject, I think he will find that the appropriations for research, particularly as to the diseases which affect wheat, have certainly not been neglected by the committee over the past several years. Those appropriations have been increased by several hundred percent.

The distinguished Senator from North Dakota [Mr. Young], who is the ranking minority member of the subcommittee, has urged increases over and above the budget request, to deal with such problems as rust and other diseases or plagues which afflict wheat.

I certainly agree with the distinguished Senator as to the importance of research. Some of our friends from the cities say it is a rather anomalous situation to be appropriating money for research at a time when the granaries are full, when we are plagued with surpluses, and when we are reducing farm acreage, but if it had not been for the research which brought down the per unit cost of production for the American farmers, they would be practically out of business. If the cost to produce were as much per unit today as it was many years ago, before some of these new and startling developments in the field of research came about, very few farmers would still be in business in this country.

Research has served a very useful purpose in reducing the losses the farmer has incurred by lowering his per unit cost of production.

I believe in research. We have increased the appropriation every year not only above the figure which came to

us from the other body, but also above the budget estimates. We increased the appropriation over \$3 million above the budget estimates in this field. We intend to move forward, and we would be delighted to receive the suggestions of the distinguished Senator from Kansas and will give very careful consideration to any suggestions from him as to further progress we may make in this field. It is one of the few areas in which we have been able to do anything for the American farmer.

Mr. CARLSON. Mr. President, I rise to pay my respects to the distinguished chairman of the committee, the senior Senator from Georgia [Mr. RUSSELL], and the committee for what I believe is a foresighted and a proper program for not only dealing in research of questions relating to wheat but also all agricultural commodities, because, as the distinguished chairman of the committee well knows, all of them are under pressure, and we need not only to provide the proper type of market for products but to find new uses for the products.

Mr. RUSSELL. I did not wish to go into the field of utilization research. We endeavored to increase the appropriation in that area, but despite the advances in the past several years we still have a long way to go in the study of soils, the conservation of water, and other related studies which not only assist in the production of crops, but which will also help in the preservation of the fertility of our soils for generations unborn.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SCHOEPPPEL. I am very glad to join with my colleague in his commendation of what the committee has done with reference not only to research but also, the matter about which Dean Weber of Kansas State University consulted us, which was a research fund with reference to a study that was made. Did I correctly understand the distinguished senior Senator from Georgia [Mr. RUSSELL] to say that that research program will be continued and that funds will be made available for it?

Mr. RUSSELL. Yes. The Senator's colleague asked about the item which has to do with rural electrification research, which the budget recommended be discontinued.

Mr. SCHOEPPPEL. The Senator is correct.

Mr. RUSSELL. Through the reapplication of funds, as the bill now stands and comes before the Senate, it provides for that work to be done for another year at Manhattan, Kans.

Mr. SCHOEPPPEL. I thank the distinguished Senator and the members of the committee for that consideration because, as I understood from the reports that we had, that was in its completion stage, and provision should be made for completing it.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the fighting friend of agriculture, the distinguished Senator from North Dakota.

Mr. YOUNG. I thank my friend from Georgia for those kind comments. The bill as approved by the Senate Appropriations Committee I believe represents a reasonable approach to the many involved agricultural problems. I wish to commend the Senator from Georgia for his usual good job in the handling of the bill. Not all farm organizations and other groups got all they wanted, but I think the adjustments made in the bill were necessary ones and the ones which will please the great majority of the Members of Congress as well as people generally.

As the Senator pointed out, there were only two sizable increases in the appropriation bill, and those were necessary ones which had to be made because a point of order was raised on the House floor on the ground that contracts had been entered into regarding the conservation reserve program. The remainder of the increases made by the Senate committee were very worthy ones involving, for example, increases in loan authorizations for REA and RTA, some research items, and some other adjustments. On the whole, as I said previously, I think it is now a very good bill and one which should provoke very little debate on the Senate floor.

Mr. RUSSELL. I thank the Senator. I think the bill is as well balanced as we can make it in these times.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AIKEN. I wish merely to take time enough to commend both the chairman of the Agricultural Appropriations Subcommittee and the ranking member of the committee and the Senator from North Dakota [Mr. Young] on the excellent job they did in respect to the Agricultural Appropriation bill, not only this year but for several years last passed, and ever since I have had the privilege of being a member of the subcommittee. I believe the fact that American agriculture is now the best in the whole world is due largely to the foresight and the attention which these 2 men on the subcommittee, composed of able Senators, in particular have given to our requirements.

I become a little tired when I hear people complain because we have enough to eat and wear in this country and a little besides. We can imagine what the situation would be today if we did not have a good supply of wheat, feed grains, and other farm commodities on hand. What happened at the summit conference would have been almost a minor matter compared with what would happen if we became a deficit agricultural country. We could not stand up. The attention given to the preservation of our soil and water resources by the committee headed by the Senator from Georgia [Mr. RUSSELL] has been outstanding. If we do not take care of our soil and water resources in this country, it will not make a bit of difference how many missiles we have, or how far they will shoot, because we shall be the underdog in any international controversy which may arise.

I am glad to take this opportunity to thank these leaders of American agri-

culture who have done such outstanding work.

Mr. RUSSELL. I wish to express to the distinguished Senator from Vermont, for myself, and for the distinguished Senator from North Dakota [Mr. Young] our deep appreciation for his complimentary references. It was a very happy and fortuitous day for the Appropriations Subcommittee when the distinguished Senator from Vermont came to be an ex officio member and brought to the committee the results of his years of experience on the standing Committee on Agriculture and Forestry, as well as his sympathetic interest in the problems of American agriculture, the future of our soils, and in the preservation of our resources.

Mr. JOHNSON of Texas. Mr. President, the livestock producers in Texas suffer tremendous losses each year from screw-worm infestation, and there is a tremendous need for an eradication program in the Southwest similar to that which has so effectively brought the screw-worm under control in the Southeastern part of the country. The distinguished chairman of the subcommittee will remember that I brought this situation to his attention last year, and I was pleased to see that on page 3 of the committee report the committee took cognizance of the menace facing the livestock producers in the Southwest and requested the Department to investigate the feasibility of developing an eradication program and to report to the committee on the feasibility and requirements for such a program.

I have explained to my constituents that the committee would expect the Department to act on this request in the near future, and in any event in time for the report to be considered by the committee during the next session of the Congress, when it considers the appropriation for the Department of Agriculture appropriation for the fiscal year 1962.

I inquire of the distinguished Senator from Georgia if that is his understanding of what the committee had in mind when it included this language in the committee report on page 3?

Mr. RUSSELL. Yes. The distinguished Senator from Texas urged the committee last year and again this year to consider the interest of the livestock producers of Texas and the Southwest in the eradication program. We know as a matter of common knowledge that the screw-worm has caused heavy losses to those livestock producers.

A number of producers wrote to members of the committee. Judge Montague, who headed the Livestock Producers Association for many years, discussed the matter with me. I have canvassed the subject informally with the Department and they have advised me there are a number of problems which would require intensive research and planning before they would undertake to start an eradication program such as was applied in the Southeast.

The committee has directed the Department to investigate this matter fully and we certainly expect to have a report on this subject not later than the time

the Department of Agriculture budget is submitted for fiscal year 1962.

Mr. JOHNSON of Texas. I thank the Senator for his complete response to my inquiry. I am very grateful for the interest he always shows to the solution of problems in our section of the country.

FOREIGN POLICY

Mr. KENNEDY. Mr. President, I note that the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Illinois are in the Chamber. This afternoon the Senator from Pennsylvania made some statements on the floor of the Senate with regard to some statements of mine, as follows:

I might also add, in connection with the statement of the distinguished Senator from Massachusetts, Mr. KENNEDY, as reported in the Portland Oregonian, that the Senator himself said:

"Khrushchev laid down two conditions to President Eisenhower for going on with the summit meeting. One was to apologize. I think that might have been possible to do."

Then the quotation goes on to other matters.

The report in that Oregonian is that: "Later KENNEDY modified the word 'apologize,' and said the President might 'express regret.'"

"It is my hope—

The Senator from Pennsylvania went on to say—

that neither the distinguished Senator from Massachusetts nor that other candidate for the Presidency, Governor Stevenson, will—either one of them—brand himself as a "turncoat." It is my hope that they will relieve themselves of the curse of suspicion of appeasement, and it is my hope that the unity, which started out so well in support of the President and in support of the administration, may somehow be found again."

Now let me quote from an Associated Press dispatch headed "Summit," which I have just taken from the news ticker, as follows:

SCOTT replied heatedly that he had not called them appeasers. But he said quotations attributed to them indicated to him they wanted to follow a soft line in dealing with the Russians. He said they should be called before an investigating committee to testify on their views.

Mr. President, is the Senator from Pennsylvania suggesting that I be called before an investigating committee?

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. SCOTT. If the Senator will continue to read my notes and other notes which other Senators made, he will note that I did not suggest that he be called before an investigating committee. I suggested that Mr. Boulay, the author of the French newspaper article, be called to testify if the committee saw fit, with respect to the interview which he allegedly had with Governor Stevenson, and that Governor Stevenson be invited to appear to give his version of the interview.

At another point I said that I see no objection to an investigation of all the facts involving American foreign policy if the Committee on Foreign Relations wished to make such an investigation, and that it might call all the witnesses

it wanted to call, including Mr. Boulay and Mr. Stevenson.

I have reread my own notes, and I do not recall at any point ever suggesting that the distinguished Senator from Massachusetts, for whom I have a very high regard, as he knows, be asked to appear before any investigating committee. To that extent the Associated Press statement, as read by the Senator from Massachusetts, does not seem to follow the RECORD in the Senate.

Mr. KENNEDY. Mr. President, I will ask the Senator if he believes that I am under suspicion of appeasement?

Mr. SCOTT. On the contrary; I suggested that the Senator from Massachusetts may relieve himself—and I made the suggestion in good will—of the suspicion of appeasement.

I made reference to a newspaper article printed in the Portland Oregonian, written by Mr. Marvin Shoemaker, which quotes the Senator as saying:

Khrushchev laid down two conditions to President Eisenhower for going on with the summit meeting. One was to apologize.

Then the report in the Oregonian stated:

Later KENNEDY modified the word "apologize," and said the President might "express regret."

I may say that if the Senator from Massachusetts feels that President Eisenhower should apologize to Khrushchev, as first reported in the paper, that he now has an opportunity—and I am very hopeful indeed that he will use it—to relieve himself of any suspicion of appeasement, because in my opinion it would be appeasement to have the President apologize. If, however, the Senator's later explanation, with respect to expressing regrets, which he made in Oregon, is correct, and he was misquoted—then, in my mind, it does not qualify him in accordance with my previous remarks.

Mr. KENNEDY. Has the Senator from Pennsylvania any other source, besides the newspaper in Oregon, of the statement which he later said was a misquotation?

Mr. SCOTT. My only source is the newspaper publication itself, and that the byline is by Mr. Marvin Shoemaker, the political writer of the Portland Oregonian. If the Senator is prepared to say that he made none of these statements, and that the newspaper writer is incorrect or made an error in having attributed it to the Senator, I will be very glad indeed to take note of what the Senator says.

Mr. KENNEDY. And from what paper did the Senator get the statement that I had been misquoted?

Mr. SCOTT. I believe the context states that the Senator from Massachusetts made the statement:

"Khrushchev laid down two conditions to President Eisenhower for going on with the summit meeting. One was to apologize."

Later KENNEDY modified the word "apologize," and said the President might "express regret."

The newspaper article indicates that the Senator himself modified the earlier remark. To be entirely fair, I repeat

that, if he did not make the first remark or if he did not make the second remark, I am very happy that those remarks were not made.

Mr. KENNEDY. Does not the Senator think it would have been more in keeping with Senate rule XIX if he had informed me that he was going to make an attack on me?

Mr. SCOTT. I may say to the Senator that it is not always possible to know when the Senator from Massachusetts is available, and that because of the Senator's other obligations, this is probably more true of him than of many other Members of the Senate, and we fully understand it and are in accord with the reasons for the Senator's absences. Further, my remarks were made subsequent to the remarks made by the distinguished minority leader. At the time I rose I had not fully made up my mind as to what references I might make to the material which had already been inserted in the RECORD by the the minority leader, including the news item to which I have referred. It occurred at the convening of the Senate today. Certainly I did not intend any discourtesy to the Senator from Massachusetts. However, it is virtually impossible to know when the name of the Senator from Massachusetts will be mentioned in the Senate. That is not the fault of the Senator from Pennsylvania.

Mr. KENNEDY. I consider it to be completely the fault of the Senator from Pennsylvania. This is not just another mention of my name. It is a unique situation. I do not recall that any other Senator has ever made the suggestion that I come before the Senate or before an investigating committee to purge myself of the suspicion of appeasement. Certainly the courtesy of advance notice should have been extended to the Senator from Massachusetts by the Senator from Pennsylvania, especially when his remarks were coming close to being a violation of rule XIX, part 2, which states:

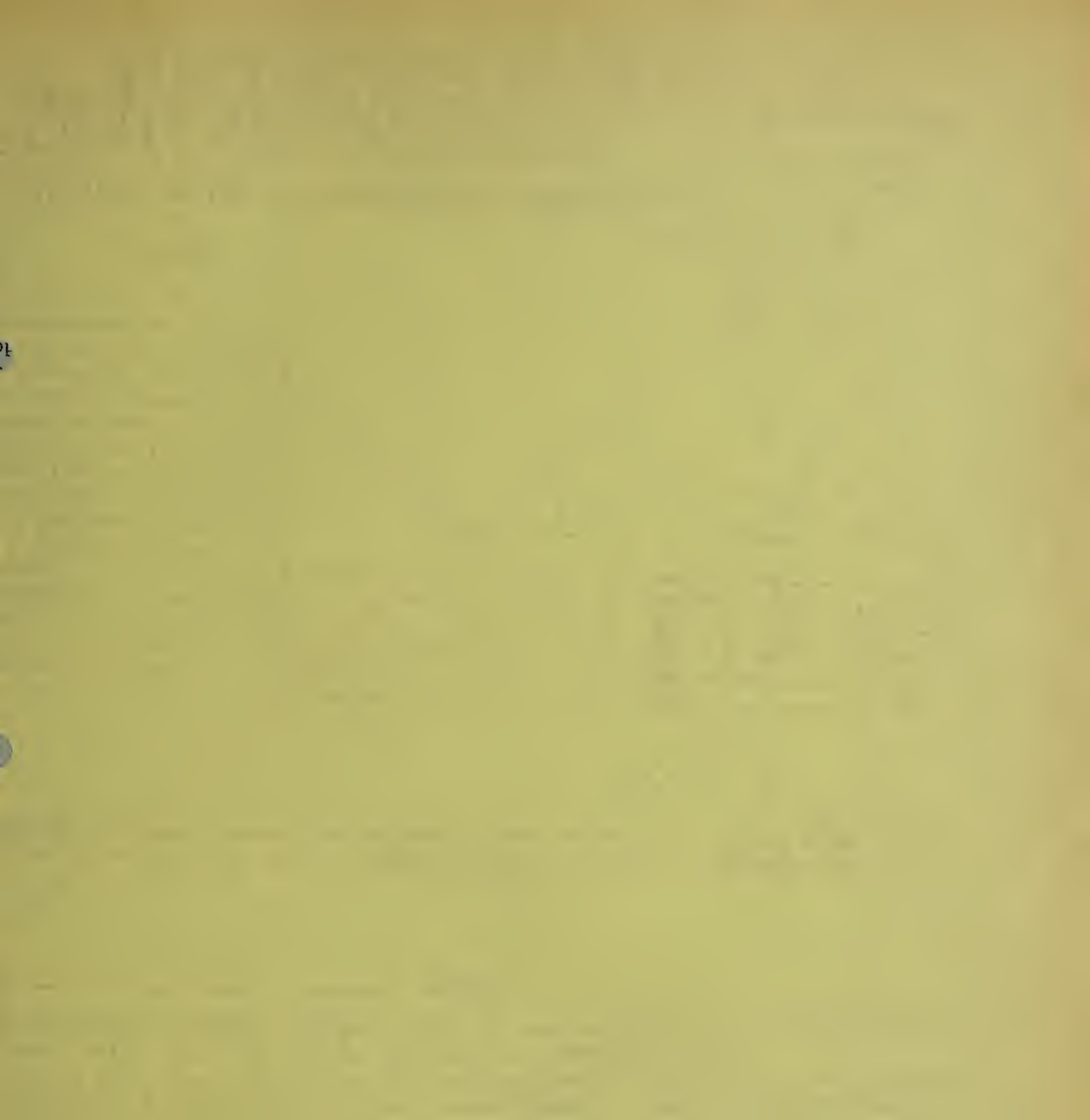
No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

The actual record of the Official Reporter uses the word "turncoat." I am aware of the fact that the Senator from Pennsylvania may well have coined an original phrase on later consideration, or he may have made it at that time. But his accentuation was not distinct, and the Official Reporter took down the word "turncoat."

Mr. SCOTT. Mr. President, will the Senator yield for a correction, because the Senator is proceeding on a line which is not in accordance with what actually happened? Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. SCOTT. I call the Senator's attention to the fact that I had written down on a newspaper at the time, on one of the desks here, the word "turncoat" before I spoke it. It was clearly understood in the gallery and was so recorded on the first teletype report of my original remarks; that when some-



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of May 24, 1960
86th-2d, No. 94

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HIGHLIGHTS: Senate passed agricultural appropriation bill. Senate sustained veto of depressed areas bill. House debated public works appropriation bill.

SENATE

AGRICULTURAL APPROPRIATION BILL, 1961. By a vote of 74 to 1, passed with amendments this bill, H. R. 12117. pp. 10136-7, 10144-57, 10158-67

Agreed to an amendment by Sen. Kerr to increase the appropriation for Watershed Protection (small watershed program under Public Law 566) from \$32 million to \$37 million. This is an increase of \$10 million above the budget estimate of \$27 million, and an increase of \$5 million over the House bill and the Senate Committee recommendation. pp. 10147-49

Rejected the following amendments:

By Sen. Williams, Del., to strike out the authorization for the Federal Farm Mortgage Corporation to use available funds to liquidate its assets. pp. 10149-50

By Sen. Williams, Del., to reduce the authorization for the 1961 ACP program from \$250 million to \$100 million. pp. 10155-9

By Sen. Humphrey to increase the appropriation item, "Plant and animal disease and pest control," from \$52,236,000 to \$55,236,000. Sen. Humphrey explained that the amendment "would restore the brucellosis funds to the level of operations which we had in 1958." pp. 10159-61

By Sen. Humphrey to increase the appropriation for conservation operations of the Soil Conservation Service from \$83,132,000 to \$83,882,000. pp. 10161-3

By Sen. Humphrey to increase the appropriation for the school lunch program from \$110 million to \$135 million. pp. 10163-4

Senate conferees were appointed. p. 10167

2. DEPRESSED AREAS. By a vote of 45 yeas to 39 nays failed to override the President's veto of S. 722, the depressed areas bill (a two-thirds affirmative vote is necessary to override a Presidential veto). pp. 10104-34, 10137-8
 3. MINERALS. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment H. R. 10455, to revise and simplify several provisions of the Mineral Leasing Act of 1920. p. D455
 4. LANDS; ARCHEOLOGICAL DATA. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment S. 1185, to provide for the preservation of historical and archeological data on public and other lands which might otherwise be lost as a result of the construction of a dam. p. D455
 5. WATER RESOURCES. Concurred in the House amendment to S. 1605, to grant the consent of Congress to Kan. and Nebr. to negotiate and enter into a compact relating to the apportionment of the waters of the Big Blue River and its tributaries as they affect these States. This bill will now be sent to the President. p. 10157
 6. CASEIN IMPORTS. Senate conferees were appointed on H. R. 9862, to extend the suspension of the import duty on casein until June 30, 1963. House conferees have already been appointed. p. 10158
 7. FOOD INSPECTION. Sen. Humphrey inserted a resolution urging adequate plant and animal disease inspectors in the Duluth-Superior area to avoid "loss of time for labor and delay of shipping operations." p. 10086
 8. OLEOMARGARINE. At the request of Sen. Johnson, S. 2168, to amend the Navy ration statute so as to provide for the serving of oleomargarine, was made the unfinished business. p. 10167
 9. LEGISLATIVE PROGRAM. Sen. Johnson announced that the Policy Committee would meet soon to consider scheduling debate on S. 2759, the wheat bill, and H. R. 7681, to transfer certain forest land authorities from Interior to this Department. He stated the Senate would not meet on Memorial ^{Day}, but would adjourn over from Fri., May 27 to Tues., May 31. p. 10100
- HOUSE
10. PUBLIC WORKS APPROPRIATION BILL, 1961. Began debate on this bill, H. R. 12326, but deferred a final vote on the bill until Wed., May 25. pp. 10177-202
 11. FARM CREDIT. The Agriculture Committee reported with amendment H. R. 10310, to amend the Farm Credit Act of 1933 so as to provide for increased representation by regional banks for cooperatives on the Board of Directors of the Central Bank for Cooperatives (H. Rept. 1650). pp. 10220-1
 12. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 1892, to authorize the Secretary of the Interior to construct, operate, and maintain the Norman reclamation project, Oklahoma (H. Rept. 1644). p. 10220

86TH CONGRESS
2D SESSION

H. R. 12117

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 1960

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1961; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—REGULAR ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, and home economics, to
7 control and eradicate pests and plant and animal diseases,
8 and to perform related inspection, quarantine and regulatory
9 work, and meat inspection: *Provided*, That not to exceed
10 \$75,000 of the appropriations hereunder shall be available
11 for employment pursuant to the second sentence of section
12 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
13 amended by section 15 of the Act of August 2, 1946 (5
14 U.S.C. 55a): *Provided further*, That appropriations here-
15 under shall be available for the operation and maintenance
16 of aircraft and the purchase of not to exceed two, of which
17 one shall be for replacement only: *Provided further*, That
18 appropriations hereunder shall be available pursuant to title
19 5, United States Code, section 565a, for the construction,
20 alteration, and repair of buildings and improvements, but
21 unless otherwise provided, the cost of constructing any one
22 building (except headhouses connecting greenhouses) shall
23 not exceed \$15,000, except for five buildings to be con-
24 structed or improved at a cost not to exceed \$30,000 each,
25 and the cost of altering any one building during the fiscal

1 year shall not exceed \$5,000 or 5 per centum of the cost
2 of the building, whichever is greater:

3 Research: For research and demonstrations on the
4 production and utilization of agricultural products, home
5 economics, and related research and services, including
6 administration of payments to State agricultural experiment
7 stations, ~~(1)\$67,934,000~~ \$70,247,600: *Provided*, That the
8 limitations contained herein shall not apply to replacement
9 of buildings needed to carry out the Act of April 24, 1948
10 (21 U.S.C. 113a) ~~(2), or to not to exceed \$1,000,000 to~~
11 ~~remain available until expended for the construction and al-~~
12 ~~teration of buildings:~~ *Provided further*, That the Secretary of
13 Agriculture may sell the Entomology Research Laboratory
14 at Orlando, Florida, in such manner and upon such terms
15 and conditions as he deems advantageous and the proceeds of
16 such sale shall remain available until expended for the estab-
17 lishment of an entomology research laboratory: *Provided*
18 *further*, That in the establishment of such laboratory the
19 Secretary may acquire land therefor by donation or exchange;
20 Plant and animal disease and pest control: For opera-
21 tions and measures, not otherwise provided for, to control
22 and eradicate pests and plant and animal diseases and for
23 carrying out assigned inspection, quarantine, and regulatory
24 activities, as authorized by law, including expenses pursuant
25 to the Act of February 28, 1947 (21 U.S.C. 114b-d),

1 ~~(3)\$52,011,000~~ \$52,236,000, of which \$1,500,000 shall be
 2 apportioned for use pursuant to section 3679 of the Revised
 3 Statutes, as amended, for the control of outbreaks of insects
 4 and plant diseases to the extent necessary to meet emergency
 5 conditions~~(4)~~: *Provided, That no funds shall be used to*
 6 *formulate or administer a brucellosis eradication program for*
 7 *fiscal year 1962 that does not require minimum matching by*
 8 *any State of at least 40 per centum;*

9 Meat inspection: For carrying out the provisions of
 10 laws relating to Federal inspection of meat, and meat-food
 11 products, and the applicable provisions of the laws relating
 12 to process or renovated butter, \$21,562,000;

13 Special fund: To provide for additional labor to be em-
 14 ployed ~~(5)under contracts and cooperative agreements~~ to
 15 strengthen the work at research installations in the
 16 field, not more than \$1,000,000 of the amount appropriated
 17 under this head for the fiscal year 1960 may be used by the
 18 Administrator of the Agricultural Research Service in depart-
 19 mental research programs in the fiscal year 1961, the amount
 20 so used to be transferred to and merged with the appro-
 21 priation otherwise available under "Salaries and expenses,
 22 Research".

1 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY
2 PROGRAM)

3 For purchase of foreign currencies which accrue under
4 title I of the Agricultural Trade Development and Assistance
5 Act of 1954, as amended (7 U.S.C. 1704), for market de-
6 velopment research authorized by section 104 (a), and for
7 agricultural and forestry research authorized by section
8 104 (k) of that Act, to remain available until expended,
9 \$15,131,000: *Provided*, That the dollar value of the unex-
10 pended balances, as of June 30, 1960, of allocations of
11 foreign currencies heretofore made available to the Agri-
12 cultural Research Service for the foregoing purposes of sec-
13 tion 104 (a) is appropriated as of that date and shall be
14 merged with this appropriation: *Provided further*, That funds
15 appropriated herein shall be used to purchase such foreign
16 currencies as the Department determines are needed and
17 can be used most effectively to carry out the purposes of this
18 paragraph, and such foreign currencies shall, pursuant to
19 the provisions of section 104 (a), be set aside for sale to the
20 Department before foreign currencies which accrue under
21 said title I are made available for other United States uses.

(6) CONSTRUCTION OF FACILITIES

For construction of facilities and acquisition of the necessary land therefor by donation or exchange, \$3,700,000, to remain available until expended: Provided, That \$300,000 of the amount appropriated herein shall be available for payment of expenses for construction of a headquarters-laboratory building at the National Arboretum, which is hereby authorized to be constructed under contract authorization in an amount not to exceed \$1,500,000.

STATE EXPERIMENT STATIONS

Payments to States and Puerto Rico: For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture, (7) ~~\$31,053,000~~ \$32,053,708; and payments authorized under section 204 (b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U.S.C. 1623), \$500,000; in all, (8) ~~\$31,553,000~~ \$32,553,708.

Penalty mail: For penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, \$250,000,

DISEASES OF ANIMALS AND POULTRY

1 Eradication activities: For expenses necessary in the
2 arrest and eradication of foot-and-mouth disease, rinderpest,
3 contagious pleuropneumonia, or other contagious or infectious
4 diseases of animals, or European fowl pest and similar dis-
5 eases in poultry, and for foot-and-mouth disease and rinder-
6 pest programs undertaken pursuant to the provisions of the
7 Act of February 28, 1947, and the Act of May 29, 1884,
8 as amended (7 U.S.C. 391; 21 U.S.C. 111-122), including
9 expenses in accordance with section 2 of said Act of Febru-
10 ary 28, 1947, the Secretary may transfer from other ap-
11 propriations or funds available to the bureaus, corporations,
12 or agencies of the Department such sums as he may deem
13 necessary, to be available only in an emergency which
14 threatens the livestock or poultry industry of the country,
15 and any unexpended balances of funds transferred under
16 this head in the next preceding fiscal year shall be merged
17 with such transferred amounts: *Provided*, That this appropri-
18 ation shall be subject to applicable provisions contained in the
19 item "Salaries and expenses, Agricultural Research Service".
20

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), ~~(9)\$54,220,000~~ \$56,220,000; and payments and contracts for such work under section 204 (b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000; in all, ~~(10)\$55,715,000~~ \$57,715,000: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year ~~(11):~~ ~~*Provided further*, That all of the additional funds provided herein shall be used to meet expenses at the county level.~~

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, ~~(12)\$5,875,000~~ \$5,961,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$2,490,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7

1 U.S.C. 347a), and extension aspects of the Agricultural
 2 Marketing Act of 1946 (7 U.S.C. 1621-1627), and to
 3 coordinate and provide program leadership for the exten-
 4 sion work of the Department and the several States
 5 and insular possession, (13) ~~\$2,255,000~~ \$2,275,000.

6 FARMER COOPERATIVE SERVICE

7 SALARIES AND EXPENSES

8 For necessary expenses to carry out the Act of July 2,
 9 1926 (7 U.S.C. 451-457), \$620,000.

10 SOIL CONSERVATION SERVICE

11 CONSERVATION OPERATIONS

12 For necessary expenses for carrying out the provisions
 13 of the Act of April 27, 1935 (16 U.S.C. 590a-590f), in-
 14 cluding preparation of conservation plans and establishment
 15 of measures to conserve soil and water (including farm
 16 irrigation and land drainage and such special measures as
 17 may be necessary to prevent floods and the siltation of
 18 reservoirs); operation of conservation nurseries; classifica-
 19 tion and mapping of soils; dissemination of information;
 20 purchase and erection or alteration of permanent buildings;
 21 and operation and maintenance of aircraft, \$83,132,000:
 22 *Provided*, That the cost of any permanent building pur-
 23 chased, erected, or as improved, exclusive of the cost
 24 of constructing a water supply or sanitary system and

1 connecting the same to any such building and with the ex-
2 ception of buildings acquired in conjunction with land being
3 purchased for other purposes, shall not exceed \$2,500, ex-
4 cept for eight buildings to be constructed or improved at a
5 cost not to exceed \$15,000 per building and except that
6 alterations or improvements to other existing permanent
7 buildings costing \$2,500 or more may be made in any fiscal
8 year in an amount not to exceed \$500 per building: *Pro-*
9 *vided further*, That no part of this appropriation shall be
10 available for the construction of any such building on land
11 not owned by the Government: *Provided further*, That
12 no part of this appropriation may be expended for soil and
13 water conservation operations under the Act of April 27,
14 1935 (16 U.S.C. 590a-590f), in demonstration projects:
15 *Provided further*, That not to exceed \$5,000 may be used
16 for employment pursuant to the second sentence of section
17 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
18 amended by section 15 of the Act of August 2, 1946 (5
19 U.S.C. 55a) : *Provided further*, That qualified local engi-
20 neers may be temporarily employed at per diem rates to
21 perform the technical planning work of the service: *Pro-*
22 *vided further*, That not to exceed \$600,000 of the amount
23 appropriated under this head for fiscal year 1960 may be
24 used to employ conservation aides and other nonprofessional
25 personnel on a part-time or contract basis, and the amount

1 so used may be transferred to and merged with this appro-
 2 priation.

3 WATERSHED PROTECTION

4 For expenses necessary to conduct surveys, investiga-
 5 tions, and research and to carry out preventive measures,
 6 including, but not limited to, engineering operations, meth-
 7 ods of cultivation, the growing of vegetation, and changes in
 8 use of land, in accordance with the Watershed Protection
 9 and Flood Prevention Act, approved August 4, 1954, as
 10 amended (16 U.S.C. 1001-1008), and the provisions of
 11 the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain
 12 available until expended, ~~(14)\$32,000,000~~ \$37,000,000,
 13 with which shall be merged the unexpended balances of funds
 14 heretofore appropriated or transferred to the Department for
 15 watershed protection purposes: *Provided*, That not to exceed
 16 \$100,000 may be used for employment pursuant to the second
 17 sentence of section 706 (a) of the Organic Act of 1944 (5
 18 U.S.C. 574), as amended by section 15 of the Act of August 2,
 19 1946 (5 U.S.C. 55a).

20 FLOOD PREVENTION

21 For expenses necessary, in accordance with the Flood
 22 Control Act, approved June 22, 1936 (33 U.S.C. 701-
 23 709), as amended and supplemented, and the Watershed
 24 Protection and Flood Prevention Act, approved August 4,
 25 1954, as amended (16 U.S.C. 1001-1008, ~~(15)Stat. 74~~ Stat.

1 131), and in accordance with the provisions of laws relating to
2 the activities of the Department, to perform works of improve-
3 ment, including not to exceed \$100,000 for employment
4 pursuant to the second sentence of section 706 (a) of the
5 Organic Act of 1944 (5 U.S.C. 574), as amended by section
6 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain
7 available until expended, \$18,000,000, with which shall
8 be merged the unexpended balances of funds heretofore
9 appropriated or transferred to the Department for flood pre-
10 vention purposes: *Provided*, That no part of such funds shall
11 be used for the purchase of lands in the Yazoo and Little
12 Tallahatchie watersheds without specific approval of the
13 county board of supervisors of the county in which such lands
14 are situated.

15 GREAT PLAINS CONSERVATION PROGRAM

16 For necessary expenses to carry into effect a program
17 of conservation in the Great Plains area, pursuant to section
18 16 (b) of the Soil Conservation and Domestic Allotment
19 Act, as added by the Act of August 7, 1956 (16 U.S.C.
20 590p), \$10,000,000, to remain available until expended.

21 AGRICULTURAL CONSERVATION PROGRAM SERVICE

22 AGRICULTURAL CONSERVATION PROGRAM

23 For necessary expenses to carry into effect the pro-
24 gram authorized in sections 7 to 15, 16 (a), and 17 of the
25 Soil Conservation and Domestic Allotment Act, approved

1 February 29, 1936, as amended (16 U.S.C. 590g-590 (o),
2 590p (a), and 590q), including not to exceed \$6,000 for the
3 preparation and display of exhibits, including such displays
4 at State, interstate, and international fairs within the United
5 States, \$242,000,000, to remain available until December 31
6 of the next succeeding fiscal year for compliance with the
7 program of soil-building and soil- and water-conserving
8 practices authorized under this head in the Department of
9 Agriculture and Farm Credit Administration Appropriation
10 Act, 1960, carried out during the period July 1, 1959, to
11 December 31, 1960, inclusive: *Provided*, That not to exceed
12 \$26,832,950 of the total sum provided under this head shall
13 be available during the current fiscal year for administrative
14 expenses for carrying out such program, the cost of aerial
15 photographs, however, not to be charged to such limitation;
16 but not more than \$5,458,900 shall be transferred to the
17 appropriation account "Administrative expenses, section
18 392, Agricultural Adjustment Act of 1938": *Provided fur-*
19 *ther*, That none of the funds herein appropriated shall be used
20 to pay the salaries or expenses of any regional information
21 employees or any State information employees, but this shall
22 not preclude the answering of inquiries or supplying of in-
23 formation at the county level to individual farmers: *Pro-*
24 *vided further*, That such amounts shall be available for ad-
25 ministrative expenses in connection with the formulation and

1 administration of the 1961 program of soil-building and
2 soil- and water-conserving practices, under the Act of
3 February 29, 1936, as amended (amounting to \$250,000,-
4 000, including administration, and no participant shall re-
5 ceive more than \$2,500, except where the participants from
6 two or more farms or ranches join to carry out approved
7 practices designed to conserve or improve the agricultural
8 resources of the community) : *Provided further*, That no
9 change shall be made in such 1961 program which will have
10 the effect in any county of restricting eligibility requirements
11 or cost-sharing on practices included in either the 1958 or
12 the 1959 programs, unless such change shall have been
13 recommended by the county committee and approved by the
14 State committee: *Provided further*, That the proportion of
15 the State fund initially allocated to any county for the 1961
16 program shall not be reduced from the distribution of such
17 funds for the 1959 program year: *Provided further*, That
18 not to exceed 5 per centum of the allocation for the 1961
19 agricultural conservation program for any county may,
20 on the recommendation of such county committee and
21 approval of the State committee, be withheld and
22 allotted to the Soil Conservation Service for services of its
23 technicians in formulating and carrying out the agricultural
24 conservation program in the participating counties, and shall
25 not be utilized by the Soil Conservation Service for any pur-

1 pose other than technical and other assistance in such
2 counties, and in addition, on the recommendation of such
3 county committee and approval of the State committee, not
4 to exceed 1 per centum may be made available to any other
5 Federal, State, or local public agency for the same purpose
6 and under the same conditions: *Provided further*, That for
7 the 1961 program \$2,500,000 shall be available for
8 technical assistance in formulating and carrying out agricul-
9 tural conservation practices and \$1,000,000 shall be avail-
10 able for conservation practices related directly to flood pre-
11 vention work in approved watersheds: *Provided further*,
12 That such amounts shall be available for the purchase of
13 seeds, fertilizers, lime, trees, or any other farming material,
14 or any soil-terracing services, and making grants thereof to
15 agricultural producers to aid them in carrying out farming
16 practices approved by the Secretary under programs provided
17 for herein: *Provided further*, That no part of any funds
18 available to the Department, or any bureau, office, corpora-
19 tion, or other agency constituting a part of such Department,
20 shall be used in the current fiscal year for the payment of
21 salary or travel expenses of any person who has been con-
22 victed of violating the Act entitled "An Act to prevent
23 pernicious political activities", approved August 2, 1939, as
24 amended, or who has been found in accordance with the pro-
25 visions of title 18, United States Code, section 1913, to have

1 violated or attempted to violate such section which prohibits
2 the use of Federal appropriations for the payment of personal
3 services or other expenses designed to influence in any man-
4 ner a Member of Congress to favor or oppose any legislation
5 or appropriation by Congress except upon request of any
6 Member or through the proper official channels.

7 AGRICULTURAL MARKETING SERVICE

8 MARKETING RESEARCH AND SERVICE

9 For expenses necessary to carry on research and service
10 to improve and develop marketing and distribution relating
11 to agriculture as authorized by the Agricultural Marketing
12 Act of 1946 (7 U.S.C. 1621-1627) and other laws, includ-
13 ing the administration of marketing regulatory acts connected
14 therewith: *Provided*, That appropriations hereunder shall
15 be available pursuant to 5 U.S.C. 565a for the construction,
16 alteration, and repair of buildings and improvements, but
17 unless otherwise provided, the cost of erecting any one build-
18 ing shall not exceed \$15,000, except for two buildings to
19 be constructed or improved at a cost not to exceed \$30,000
20 each, and the cost of altering any one building during the
21 fiscal year shall not exceed \$5,000 or 5 per centum of the
22 cost of the building, whichever is greater:

23 Marketing research and agricultural estimates: For
24 research and development relating to agricultural marketing
25 and distribution, for analyses relating to farm prices, income

1 and population, and demand for farm products, and for crop
 2 and livestock estimates, ~~(16)\$16,315,000~~ \$16,605,000:
 3 *Provided*, That not less than \$350,000 of the funds contained
 4 in this appropriation shall be available to continue to gather
 5 statistics and conduct a special study on the price spread
 6 between the farmer and the consumer: *Provided further*,
 7 That no part of the funds herein appropriated shall be avail-
 8 able for any expense incident to publishing estimates of
 9 apple production for other than the commercial ~~(17)crop~~.
 10 *crop*;

11 ~~(18)~~*Marketing services: For services relating to agricultural*
 12 *marketing and distribution, for carrying out regulatory acts*
 13 *connected therewith, and for administration and coordination*
 14 *of payments to States, \$26,579,900, including not to exceed*
 15 *\$25,000 for employment at rates not to exceed \$50 per diem,*
 16 *except for employment in rate cases at not to exceed \$100*
 17 *per diem pursuant to the second sentence of section 706(a)*
 18 *of the Organic Act of 1944 (5 U.S.C. 574), as amended*
 19 *by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a),*
 20 *in carrying out section 201(a) to 201(d), inclusive, of title*
 21 *II of the Agricultural Adjustment Act of 1938 (7 U.S.C.*
 22 *1291) and section 203(j) of the Agricultural Marketing Act*
 23 *of 1946.*

1 PAYMENTS TO STATES AND POSSESSIONS

2 For payments to departments of agriculture, bureaus and
3 departments of markets, and similar agencies for marketing
4 activities under section 204 (b) of the Agricultural Market-
5 ing Act of 1946 (7 U.S.C. 1623 (b)), \$1,195,000.

6 SCHOOL LUNCH PROGRAM

7 For necessary expenses to carry out the provisions of
8 the National School Lunch Act (42 U.S.C. 1751-1760),
9 \$110,000,000: *Provided*, That no part of this appropriation
10 shall be used for nonfood assistance under section 5 of said
11 Act: *Provided further*, That \$45,000,000 shall be trans-
12 ferred to this appropriation from funds available under sec-
13 tion 32 of the Act of August 24, 1935, for purchase and
14 distribution of agricultural commodities and other foods
15 pursuant to section 6 of the National School Lunch Act.

16 FOREIGN AGRICULTURAL SERVICE

17 SALARIES AND EXPENSES

18 For necessary expenses for the Foreign Agricultural
19 Service, including carrying out title VI of the Agricultural
20 Act of 1954 (7 U.S.C. 1761-1768), and for enabling the
21 Secretary to coordinate and integrate activities of the Depart-
22 ment in connection with foreign agricultural work, including
23 not to exceed \$25,000 for representation allowances and for
24 expenses pursuant to section 8 of the Act approved August
25 3, 1956 (7 U.S.C. 1766), (19)~~\$4,447,000~~ \$4,487,000:

1 *Provided*, That not less than \$400,000 of the funds contained
 2 in this appropriation shall be available to obtain statistics
 3 and related facts on foreign production and full and
 4 complete information on methods used by other countries
 5 to move farm commodities in world trade on a competitive
 6 basis: *Provided further*, That, in addition, not to exceed
 7 (20) ~~\$2,493,000~~ \$2,539,000 of the funds appropriated by
 8 section 32 of the Act of August 24, 1935, as amended (7
 9 U.S.C. 612c), shall be merged with this appropriation and
 10 shall be available for all expenses of the Foreign Agricultural
 11 Service in carrying out the purposes of said section 32.

12 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY
 13 PROGRAM)

14 For purchase of foreign currencies which accrue under
 15 title I of the Agricultural Trade Development and Assistance
 16 Act of 1954, as amended (7 U.S.C. 1704), for the purposes
 17 of market development activities under section 104 (a) of
 18 that Act, \$13,621,000, and for the purposes of section 104
 19 (m) of that Act, relating to agricultural and horticultural
 20 fair participation and related activities, \$1,000,000, to re-
 21 main available until expended (21), of which amounts not less
 22 than \$4,400,000 shall be available to purchase currencies
 23 which the Treasury Department shall determine to be excess
 24 to normal requirements of the United States: *Provided*, That
 25 this appropriation shall not be used for the purchase of cur-

1 *rencies available in the Treasury for the purposes of section*
 2 *104(f) of such Act unless such currencies are excess to the*
 3 *normal requirements of the United States: Provided further,*
 4 That the dollar value of the unexpended balances, as of June
 5 30, 1960, of allocations of foreign currencies heretofore made
 6 available to the Foreign Agricultural Service for the fore-
 7 going purposes of such sections 104 (a) and (m) is appro-
 8 priated as of that date and shall be merged with this appro-
 9 priation: *Provided further,* That funds appropriated herein
 10 shall be used to purchase such foreign currencies as the De-
 11 partment determines are needed and can be used most effec-
 12 tively to carry out the purposes of this paragraph, and such
 13 foreign currencies shall, pursuant to the provisions of section
 14 104 (a), be set aside for sale to the Department before
 15 foreign currencies which accrue under said title I are made
 16 available for other United States uses.

17 COMMODITY EXCHANGE AUTHORITY

18 SALARIES AND EXPENSES

19 For necessary expenses to carry into effect the provisions
 20 of the Commodity Exchange Act, as amended (7 U.S.C.
 21 1-17a), ~~(22)\$930,000~~ \$941,325.

22 COMMODITY STABILIZATION SERVICE

23 ACREAGE ALLOTMENTS AND MARKETING QUOTAS

24 For necessary expenses to formulate and carry out
 25 acreage allotment and marketing quota programs pursuant to

1 provisions of title III of the Agricultural Adjustment Act
 2 of 1938, as amended (7 U.S.C. 1301-1393), \$40,135,000,
 3 of which not more than \$6,934,400 shall be transferred to
 4 the appropriation account "Administrative expenses, section
 5 392, Agricultural Adjustment Act of 1938".

6 SUGAR ACT PROGRAM

7 For necessary expenses to carry into effect the provi-
 8 sions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
 9 \$74,500,000, to remain available until June 30 of the next
 10 succeeding fiscal year: *Provided*, That expenditures (includ-
 11 ing transfers) from this appropriation for other than pay-
 12 ments to sugar producers shall not exceed \$2,307,000.

13 CONSERVATION RESERVE PROGRAM

14 For necessary expenses to carry out a conservation re-
 15 serve program as authorized by subtitles B and C of the Soil
 16 Bank Act (7 U.S.C. 1831-1837 and 1802-1814), and to
 17 carry out liquidation activities for the acreage reserve pro-
 18 gram, to remain available until expended, ~~(23)\$313,000,000~~
 19 \$335,000,000, with which may be merged the unexpended
 20 balances of funds heretofore appropriated for soil bank
 21 programs: *Provided*, That not to exceed \$12,000,000 shall
 22 be available for administrative expenses, of which not less
 23 than \$10,000,000 may be transferred to the appropriation
 24 account "Local administration, section 388, Agricultural
 25 Adjustment Act of 1938": *Provided further*, That no p r

1 of these funds shall be paid on any contract which is illegal
2 under the law due to the division of lands for the purpose
3 of evading limits on annual payments to participants.

4 FEDERAL CROP INSURANCE CORPORATION

5 OPERATING AND ADMINISTRATIVE EXPENSES

6 For operating and administrative expenses, \$6,376,000.

7 RURAL ELECTRIFICATION ADMINISTRATION

8 To carry into effect the provisions of the Rural Electri-
9 fication Act of 1936, as amended (7 U.S.C. 901-924), as
10 follows:

11 LOAN AUTHORIZATIONS

12 For loans in accordance with said Act, and for carrying
13 out the provisions of section 7 thereof, to be borrowed from
14 the Secretary of the Treasury in accordance with the pro-
15 visions of section 3 (a) of said Act, as follows: Rural electri-
16 fication program, \$110,000,000; and rural telephone pro-
17 gram, \$80,000,000; and additional amounts, not to exceed
18 ~~(24)\$50,000,000~~ \$60,000,000 for each program, may be
19 borrowed under the same terms and conditions to the extent
20 that such amount is required during the fiscal year 1961
21 under the then existing conditions for the expeditious and
22 orderly development of the rural electrification program and
23 rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$9,632,000.

FARMERS HOME ADMINISTRATION

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000-1031); the Farmers Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U.S.C. 436-439); the Act of August 28, 1937, as amended (16 U.S.C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948

1 (62 Stat. 1038), and "Loans to farmers, property damage"
2 in the Act of May 24, 1949 (63 Stat. 82); the collecting
3 and servicing of credit sales and development accounts in
4 water conservation and utilization projects (53 Stat. 685,
5 719), as amended and supplemented (16 U.S.C. 590y, z—1
6 and z—10); and the Act to direct the Secretary of Agricul-
7 ture to convey certain mineral interests, approved September
8 6, 1950 (7 U.S.C. 1033–1039), as follows:

9 LOAN AUTHORIZATIONS

10 For loans (including payments in lieu of taxes and taxes
11 under section 50 of the Bankhead-Jones Farm Tenant Act,
12 as amended, and advances incident to the acquisition and
13 preservation of security of obligations under the foregoing
14 several authorities, except that such advances under title V
15 of the Housing Act of 1949, as amended, shall be made from
16 funds obtained under section 511 of that Act, as amended):
17 Title I and section 43 of title IV of the Bankhead-Jones
18 Farm Tenant Act, as amended, \$26,900,000, of which not
19 to exceed \$2,500,000 may be distributed to States and
20 territories without regard to farm population and prevalence
21 of tenancy, in addition to the amount otherwise distributed
22 thereto, for loans in reclamation projects and to entrymen
23 on unpatented public lands; title II of the Bankhead-Jones
24 Farm Tenant Act, as amended, \$197,100,000; the Act of
25 August 28, 1937, as amended, \$3,000,000: *Provided,*

1 That not to exceed the foregoing several amounts shall be
 2 borrowed in one account from the Secretary of the Treasury
 3 in accordance with the provisions set forth under this head
 4 in the Department of Agriculture Appropriation Act, 1952:
 5 *Provided further*, That an additional amount, not to exceed
 6 \$40,000,000, may be borrowed under the same terms and
 7 conditions to the extent that such amount is required during
 8 fiscal year 1961 under the then existing conditions for the
 9 expeditious and orderly conduct of the loan programs under
 10 the Bankhead-Jones Farm Tenant Act, as amended, not to
 11 exceed \$5,000,000 of which shall be available for loans
 12 under title I and section 43 of title IV of such Act, as
 13 amended.

14 SALARIES AND EXPENSES

15 For making, servicing, and collecting loans and insured
 16 mortgages, the servicing and collecting of loans made under
 17 prior authority, the liquidation of assets transferred to Farm-
 18 ers Home Administration, and other administrative expenses,
 19 ~~(25)\$30,500,000~~ \$31,467,650, together with a transfer of
 20 not to exceed ~~(26)\$1,000,000~~ \$1,100,000 of the fees and
 21 administrative expense charges made available by subsections
 22 (d) and (e) of section 12 of the Bankhead-Jones Farm
 23 Tenant Act, as amended (7 U.S.C. 1005 (b)), and section
 24 10 (c) of the Act of August 28, 1937, as amended.

1 OFFICE OF THE GENERAL COUNSEL

2 SALARIES AND EXPENSES

3 For necessary expenses, including payment of fees or
4 dues for the use of law libraries by attorneys in the field
5 service, \$3,358,000.

6 OFFICE OF THE SECRETARY

7 SALARIES AND EXPENSES

8 For expenses of the Office of the Secretary of Agricul-
9 ture; expenses of the National Agricultural Advisory Com-
10 mission; stationery, supplies, materials, and equipment;
11 freight, express, and drayage charges; advertising of bids,
12 communication service, postage, washing towels, repairs and
13 alterations, and other miscellaneous supplies and expenses not
14 otherwise provided for and necessary for the practical and
15 efficient work of the Department of Agriculture, \$2,899,500:
16 *Provided*, That this appropriation shall be reimbursed from
17 applicable appropriations for travel expenses incident to the
18 holding of hearings as required by the Administrative
19 Procedure Act (5 U.S.C. 1001).

20 OFFICE OF INFORMATION

21 SALARIES AND EXPENSES

22 For necessary expenses of the Office of Information for
23 the dissemination of agricultural information and the coordi-
24 nation of informational work and programs authorized by
25 Congress in the Department, (27)\$1,478,000 \$1,523,000,

1 of which total appropriation not to exceed \$537,000 may be
 2 used for farmers' bulletins, which shall be adapted to the in-
 3 terests of the people of the different sections of the country,
 4 an equal proportion of four-fifths of which shall be delivered
 5 to or sent out under the addressed franks furnished by the
 6 Senators, Representatives, and Delegates in Congress, as
 7 they shall direct (7 U.S.C. 417), and not less than ~~(28)one~~
 8 ~~hundred and fifty-one thousand two hundred and thirty-~~
 9 ~~three thousand and fifty~~ copies for the use of the
 10 Senate and House of Representatives of part 2 of the
 11 annual report of the Secretary (known as the Yearbook
 12 of Agriculture) as authorized by section 73 of the Act of
 13 January 12, 1895 (44 U.S.C. 241), and for reprinting
 14 the 1959 yearbook "Food" for the use of the Senate and
 15 House of Representatives, respectively, of ~~(29)one hundred~~
 16 ~~and sixteen thousand five hundred and twenty-five~~ *fifty-eight*
 17 *thousand two hundred* copies (for which not to exceed
 18 ~~(30)\$90,000~~ *\$45,000* shall be available) : *Provided*, That in
 19 the preparation of motion pictures or exhibits by the De-
 20 partment, not exceeding a total of \$10,000 may be used
 21 for employment pursuant to the second sentence of section
 22 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
 23 amended by section 15 of the Act of August 2, 1946 (5
 24 U.S.C. 55a).

1 LIBRARY

2 SALARIES AND EXPENSES

3 For necessary expenses, including dues for library mem-
4 bership in societies or associations which issue publications
5 to members only or at a price to members lower than to sub-
6 scribers who are not members, \$895,000.

7 TITLE II—CORPORATIONS

8 The following corporations and agencies are hereby
9 authorized to make such expenditures, within the limits of
10 funds and borrowing authority available to each such corpo-
11 ration or agency and in accord with law, and to make such
12 contracts and commitments without regard to fiscal year
13 limitations as provided by section 104 of the Government
14 Corporation Control Act, as amended, as may be necessary
15 in carrying out the programs set forth in the budget for the
16 fiscal year 1961 for such corporation or agency, except as
17 hereinafter provided:

18 FEDERAL CROP INSURANCE CORPORATION FUND

19 Not to exceed \$2,630,000 of administrative and
20 operating expenses may be paid from premium income.

21 COMMODITY CREDIT CORPORATION

22 RESTORATION OF CAPITAL IMPAIRMENT

23 To partially restore the capital impairment of the Com-
24 modity Credit Corporation determined by the appraisals
25 of June 30, 1959, and June 30, 1960, pursuant to section 1

1 of the Act of March 8, 1938, as amended (15 U.S.C.
2 713a-1), \$1,226,500,000.

3 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
4 FOR COSTS OF SPECIAL ACTIVITIES

5 To reimburse the Commodity Credit Corporation for
6 authorized unrecovered costs through June 30, 1960
7 (including interest through date of recovery), as follows:
8 (1) \$32,572,000 under the International Wheat Agree-
9 ment Act of 1949, as amended (7 U.S.C. 1641-1642);
10 (2) \$107,094,000 for commodities disposed of for emer-
11 gency famine relief to friendly peoples pursuant to title II
12 of the Act of July 10, 1954, as amended (7 U.S.C. 1703,
13 1721-1724); (3) \$881,000,000 for the sale of surplus
14 agricultural commodities for foreign currencies pursuant to
15 title I of the Act of July 10, 1954, as amended (7 U.S.C.
16 1701-1709); (4) \$18,000 for grain made available to the
17 Secretary of the Interior to prevent crop damage by migra-
18 tory waterfowl pursuant to the Act of July 3, 1956
19 (7 U.S.C. 442-446); (5) \$422,950,000 for strategic and
20 other materials acquired by the Commodity Credit Corpo-
21 ration as a result of barter or exchange of agricultural com-
22 modities or products and transferred to the supplemental
23 stockpile pursuant to Public Law 540, Eighty-fourth Con-
24 gress (7 U.S.C. 1856): *Provided*, That the unexpended
25 balances of funds heretofore provided for the various pur-

1 poses under this head may remain available until expended
2 for the purposes for which appropriated and may be merged
3 with the funds provided in this paragraph.

4 LIMITATION ON ADMINISTRATIVE EXPENSES

5 Nothing in this Act shall be so construed as to prevent
6 the Commodity Credit Corporation from carrying out any
7 activity or any program authorized by law: *Provided*,
8 That not to exceed (31) ~~\$44,726,000~~ \$45,726,000 shall be
9 available for administrative expenses of the Corporation:
10 *Provided further*, That \$1,000,000 of this authorization shall
11 be available only to expand and strengthen the sales program
12 of the Corporation pursuant to authority contained in the Cor-
13 poration's charter: *Provided further*, That not less than 7
14 per centum of this authorization shall be placed in reserve to
15 be apportioned pursuant to section 3679 of the Revised
16 Statutes, as amended, for use only in such amounts and at
17 such time as may become necessary to carry out program
18 operations: *Provided further*, That all necessary expenses
19 (including legal and special services performed on a con-
20 tract or fee basis, but not including other personal services)
21 in connection with the acquisition, operation, maintenance,
22 improvement, or disposition of any real or personal prop-
23 erty belonging to the Corporation or in which it has an
24 interest, including expenses of collections of pledged col-
25 lateral, shall be considered as nonadministrative expenses for

1 the purposes hereof: *Provided further*, (1) That no part of
2 this authorization shall be used to formulate or carry out
3 a price-support program for 1960 under which a total amount
4 of price support in excess of \$50,000 would be extended
5 through loans, purchases, or purchase agreements made or
6 made available by Commodity Credit Corporation to any
7 person on the 1960 production of any agricultural com-
8 modity declared by the Secretary to be in surplus supply,
9 unless (a) such person shall reduce his production of such
10 commodity from that which such person produced the pre-
11 ceding year, in such percentage, not to exceed 20 per centum,
12 as the Secretary may determine to be essential to bring pro-
13 duction in line within a reasonable period of time with that
14 necessary to provide an adequate supply to meet domestic
15 and foreign demands, plus adequate reserves, or (b) such
16 person shall agree to repay all amounts advanced in excess
17 of \$50,000 for any agricultural commodity within twelve
18 months from the date of the advance of such funds or at such
19 later date as the Secretary may determine, (2) that the term
20 "person" shall mean an individual, partnership, firm, joint-
21 stock company, corporation, association, trust, estate, or
22 other legal entity, or a State, political subdivision of a State,
23 or any agency thereof, (3) that in the case of any loan to, or
24 purchase from, a cooperative marketing organization, or
25 with regard to price support on an agricultural commodity

1 extended by purchases of a product of such commodity from,
 2 or by loans on such product to, persons other than the pro-
 3 ducers of such commodity, such limitation shall not apply to
 4 the amount of price support received by the cooperative
 5 marketing organization, or other persons, but the amount of
 6 price support made available to any person through such co-
 7 operative marketing organization or other persons shall be
 8 included in determining the amount of price support received
 9 by such person for purposes of such limitation, and (4) that
 10 the Secretary of Agriculture shall issue regulations prescrib-
 11 ing such rules as he determines necessary to carry out this
 12 provision(32); *Provided further,* That none of the funds
 13 herein appropriated shall be used to formulate or administer
 14 any program which does not provide for maximum use of
 15 Government-owned facilities for storing surplus commodities,
 16 consistent with the economical operation of the Corporation.

17 TITLE III—RELATED AGENCIES

18 FARM CREDIT ADMINISTRATION

19 LIMITATION ON ADMINISTRATIVE EXPENSES

20 Not to exceed \$2,480,000 (from assessments collected
 21 from farm credit agencies) shall be obligated during the
 22 current fiscal year for administrative expenses.

23 FEDERAL FARM MORTGAGE CORPORATION FUND

24 The Federal Farm Mortgage Corporation is authorized
 25 to make such expenditures, within available funds and in

1 accordance with law, as may be necessary to liquidate its
2 assets: *Provided*, That funds realized from the liquidation of
3 assets which are determined by the Board of Directors to
4 be in excess of the requirements for expenses of liquidation
5 shall be declared as dividends which shall be paid into the
6 general fund of the Treasury.

7 TITLE IV—GENERAL PROVISIONS

8 SEC. 401. Within the unit limit of cost fixed by law, ap-
9 propriations and authorizations made for the Department
10 under this Act shall be available for the purchase, in addition
11 to those specifically provided for, of not to exceed three
12 hundred and thirty-seven passenger motor vehicles, of which
13 three hundred and thirty-two shall be for replacement only,
14 and for the hire of such vehicles.

15 SEC. 402. Provisions of law prohibiting or restricting
16 the employment of aliens shall not apply to employment
17 under the appropriation for the Foreign Agricultural Service.

18 SEC. 403. Funds available to the Department of Agri-
19 culture shall be available for uniforms or allowances therefor
20 as authorized by the Act of September 1, 1954, as amended
21 (5 U.S.C. 2131).

22 SEC. 404. No part of the funds appropriated by this Act
23 shall be used for the payment of any officer or employee of
24 the Department who, as such officer or employee, or on be-
25 half of the Department or any division, commission, or

1 bureau thereof, issues, or causes to be issued, any prediction,
2 oral or written, or forecast, except as to damage threatened
3 or caused by insects and pests, with respect to future prices
4 of cotton or the trend of same.

5 SEC. 405. Except to provide materials required in or
6 incident to research or experimental work where no suitable
7 domestic product is available, no part of the funds appropri-
8 ated by this Act shall be expended in the purchase of twine
9 manufactured from commodities or materials produced out-
10 side of the United States.

11 SEC. 406. Not less than \$1,500,000 of the appropriations
12 of the Department for research and service work authorized
13 by the Acts of August 14, 1946, July 28, 1954, and Sep-
14 tember 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat. 1793),
15 shall be available for contracting in accordance with said
16 Acts.

17 SEC. 407. No part of any appropriation contained in
18 this Act or of the funds available for expenditure by any cor-
19 poration or agency included in this Act shall be used for pub-
20 licity or propaganda purposes to support or defeat legislation
21 pending before the Congress.

1 This Act may be cited as the “Department of Agricul-
2 ture and Farm Credit Administration Appropriation Act,
3 1961”.

Passed the House of Representatives May 11, 1960.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 1960

Ordered to be printed with the amendments of the
Senate numbered

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 2130. An act to authorize a payment to the Government of Japan;

H.R. 9465. An act to authorize the loan of one submarine to Canada and the extension of a loan of a naval vessel to the Government of the Republic of China;

H.R. 9818. An act to provide for the conveyance of certain real property of the United States to the State of Florida;

H.R. 10809. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes;

H.J. Res. 502. Joint resolution authorizing the erection in the District of Columbia of a memorial to Mary McLeod Bethune; and

H.J. Res. 546. Joint resolution authorizing the Architect of the Capitol to present to the Congress from the State of Hawaii the official flag of the United States bearing 50 stars which is first flown over the west front of the U.S. Capitol.

LAUNCHING BY UNITED STATES TODAY OF 2½-TON MIDAS EARTH SATELLITE

Mr. BRIDGES. Mr. President, some very interesting news has just come over the wire. We hear so much criticism and so much talk about failures of the United States, about the missile race, the satellite race, the gap in the air, and so on, that I think the Senate should take due notice of this event.

I read from a news dispatch dated today:

CAPE CANAVERAL.—The United States launched a 2½-ton Midas earth satellite today to test a spy-in-the-sky system for detecting hostile missiles within seconds after they are fired.

An 88-foot, two-stage Atlas-Agena blasted from the cape at 12:37 p.m., e.s.t. (1:37 p.m. e.d.t.) with the limousine-sized moonlet. The rumble may echo in diplomatic halls.

The satellite, dubbed Midas II and essentially a repeat of a shot which failed February 26, was equipped with a super-cooled infrared sensor to spot missile launchings from an orbit about 300 miles above earth.

The space-borne alarm system, peering over thousands of square miles each second, would give America a 30-minute warning of an impending missile onslaught. This is about twice the warning time available with present radar systems.

The Air Force planned to test the satellite with flares fired at Edwards Air Force Base and Vandenberg Air Force Base, Calif., this week. It also was reported the Air Force might time the launchings of intercontinental ballistic missiles to coincide with a pass by Midas II.

Sources said the flares will be seen as a rosy glow over a radius of 50 miles. Scientists also said the satellite would be able to tell the difference between missile firings and other heat sources on earth.

Midas—short for missile defense alarm system—is the first step in a top-secret U.S. military plan for an international open skies arrangement of its own, hinged on space

satellites circling in polar orbits above every inch of earth's surface.

In the three-part system, Midas satellites will pick up enemy missile firings almost instantaneously, Samos reconnaissance satellites will get television views of military installations and Advent communications satellites will relay the information to U.S. authorities.

Operational versions of the spy satellites may be in the skies in groups of about one dozen within 2 years.

Midas II—last of the series to be launched here—was a prototype designed to see whether the alarm system will work. It was aimed toward an orbit that would carry it over a comparatively narrow band around the Equator, but not over Russian territory.

The big rocket eased from its pad slowly at first as its 360,000-pound thrust engines built up power. This was the same propulsion system which drove an Atlas missile a record 9,000 miles last week.

The Atlas was to drop away after burn-out. Then 10 minutes of coasting and after that, the firing of the bullet-shaped Agena section to drive the satellite into orbit.

During the coasting phase two small helium jets perform their task of getting the satellite into proper position with its nose pointing to earth and putting the payload into an orbit as nearly circular as possible.

The instrument package weighed more than 3,000 pounds, largest ever sent into space by a U.S. rocket. The instruments and the second-stage casing were designed to remain attached for a gross weight of about 5,000 pounds.

The planned orbit would carry Midas II 28 degrees north and south of the Equator—as far north as Cape Canaveral and the southern section of Red China and as far south as the southern tips of Brazil and Africa.

The complex satellite was secret but the key to its success lay in the performance of the deep-frozen "eye" which was designed to spot a missile by infrared radiations from its exhaust.

Mr. President, I think that is one of the most gratifying and one of the most successful things we have achieved since we have been part of the space age, and certainly since the Russians sent up the first spunk in October 1957.

We hear a great deal about the failures of the United States of America. The minute a missile which is fired from Cape Canaveral fails, the information is hurled all over this country and all over the world. The Russians advertise only their successes, and conceal their failures.

All along during the last few months, and in the last 2 or 3 years, we have heard never a word about any failure of the Russians, but we have always heard of their successes. I think it is time to talk about some of the American successes. One of our successes was the 9,000-mile shot of the Atlas missile the other day. Today, Midas II, which is a tremendous step forward, a step of which all Americans can be proud, is another of our great successes.

QUESTIONS FOR RUSSIA TO ANSWER

Mr. LAUSCHE. Mr. President, when the Foreign Relations Committee hears representatives of the State Department and others on the developments which took place in connection with the contemplated summit meeting, I will wish to

get the answers to the following questions:

First. To what extent has the Soviet Union been spying in the United States, West Germany, and other nations?

Second. How many times it has breached its commitments to other nations in the world—especially the captive nations?

Third. Is there a difference between spying by foot on land on the one hand, and by plane in the air on the other?

Fourth. Is it in the interest of our country that we abandon the general and traditional methods of acquiring intelligence?

Fifth. If we do so, what are the probabilities of the Soviet Union following a similar course?

Sixth. Why did the Communists break their treaty with the Poles in World War II and stab the Poles in the back while the latter were fighting the Nazis?

Seventh. What are the details concerning the brutal massacre of Polish soldiers by the Communists in the Katyn forests?

Eighth. Why, in World War II, did the Reds, while advancing westward and nearing Poland, induce the Polish people of Warsaw to heroically rebel against the Nazi occupiers and then abandon them to slaughter by the Nazis?

Ninth. Why did the Soviet break its pledged word that the people of the satellite nations, under free and open elections, would be permitted to choose the type of government they wanted?

Tenth. Why did the Soviet aid and induce the Red Chinese to use their military power against South Korea, resulting in death and injury to thousands of American boys?

Eleventh. Why did the Soviet encourage the Red Chinese in the bombardment and killing of innocent people at the Quemoy and Matsu Islands?

Twelfth. What is the explanation for the mass and merciless murder of the freedom fighters of Hungary, Poland, and East Germany, who were fighting for liberation in those respective countries?

I do not contemplate, as a member of the Committee on Foreign Relations, allowing a crafty leader of a Communist government to point the finger of suspicion and guilt toward our Nation, when the hands of that person are dripping with the blood of innocent people.

THE RIGHT TO CRITICIZE

Mrs. SMITH. Mr. President, it was almost 10 years ago on June 1, 1950, when I made what ultimately was referred to as the "declaration of conscience." In that statement I stated my disagreement with some segments of my own Republican Party on certain political tactics. In that statement I said that I believed in certain basic rights—among them being the right to criticize, the right to protest and the right of independent thought.

I still believe in those rights—and that the Democrats should have them in the fullest extent for criticizing the Republican administration. I do not believe that anyone should have to

appear, out of loyalty, to condone behavior with which he takes issue.

I believe that the Republican administration is subject to criticism on the handling of the U-2 affair—and consequently fair game politically for the Democrats. I do not believe the Democrats should be silenced by a loyalty gag.

Instead I believe that full and open discussion is in the best interest of our country and our people. I believe that honestly expressed difference of opinion—constructively expressed difference of opinion—should never be smothered. I believe that the opposition party has the obligation to criticize that with which it does not agree.

I believe that private citizens are to be commended for speaking their minds whether by letters to the newspapers, publicly, or by letters to their Senators and Representatives.

Yes, Mr. President, I believe in speaking up when I disagree with the President of the United States even though he be the head of the political party of which I am a member. I have done it in the past. I have done it today in voting to override his veto of the depressed areas bill. I shall do it in the future.

But, Mr. President, in my belief in the full right to disagree and criticize, I do not believe that President Eisenhower has disgraced the United States, as was implied on the floor of the Senate yesterday.

I do not believe that the overwhelming majority of the people of Maine believe that President Eisenhower has disgraced the United States, as was implied on the floor of the Senate yesterday.

Nor do I believe in publicizing and upholding the slur made upon the President of the United States, as was done yesterday on the floor of the Senate, with the reading into the RECORD of the statement that "we had better start electing Presidents who are young enough to keep their wits until they finish their terms." Nor do I believe that the overwhelming majority of the people of Maine subscribe to such a slurring statement against the President of the United States.

I believe that the administration is subject to criticism on the handling of the U-2 affair. But I want no part of slurring statements charging the President with disgracing the United States, and reflecting upon his mentality.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1961

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

Mr. MORSE. Mr. President, if I may have the attention of the Senator from Georgia, unfortunately an emergency matter has arisen which will take me from the floor of the Senate, and I have

a statement on the agriculture bill which I shall ask to insert in the RECORD. However, there happens to be one special question which I would like to have answered by the Senator from Georgia.

Mr. RUSSELL. I shall be glad to answer the question if I can.

Mr. MORSE. May I say now, as I said in my statement, that there is not a single Senator who does not appreciate the wonderful work which the Senator from Georgia [Mr. RUSSELL] has done on the agricultural appropriation, as he has done in so many years past.

Mr. RUSSELL. I thank the distinguished Senator from Oregon for that commendation.

Mr. MORSE. In the course of my statement I would have observed:

"I am happy to see that the committee has seen fit to institute a pilot program for estimates on tomatoes and celery. In this connection I can only express my hope again to the distinguished chairman of the subcommittee that this action this year may break the logjam which has precluded the Department of Agriculture from submitting requests for funds to provide crop reports upon our cane and bushberry production. Can the chairman provide me with any suggestions as to how those of us who recognize the importance of these small fruits to the agricultural economy of our States, may further impress the Department with our needs in this area?"

Mr. RUSSELL. The distinguished Senator from Oregon will recall that last year, I believe, we included some funds in the appropriation bill for this purpose.

Mr. MORSE. That is correct.

Mr. RUSSELL. The Department has taken a rather dim view of the proposal.

The department officials seem to be very dubious about the value and the necessity for it. All that we have been able to get from them is a statement that they would furnish us with a report as to the yearend production, and would begin developing a plan for a reporting service that they would submit if the Congress desired to adopt a more complete program.

Mr. MORSE. There is no question about the fact that the chairman of the subcommittee has made clear that he thinks we should have such reports.

Mr. RUSSELL. Last year the subcommittee added language in the committee report that within the amount provided in the bill, that the Department should institute this program. The matter was brought up in the hearings again this year, and we were told that they would make yearend reports as to the total production and would submit to us next year some plan for a reporting service.

Mr. MORSE. I thank the Senator from Georgia very much. I intend to continue to press for Agricultural Department approval of this request. In my state it is of importance.

The people in the fruit and berry industry of my State, in my judgment, are entitled to this service from our Department of Agriculture. Again I wish to thank the Senator from Georgia for the assistance he has been to us. I am pleased to repeat on the floor of the Senate what I have said to farm groups in Oregon, that we have not a better

friend in the Senate Committee on Agriculture than the Senator from Georgia, the chairman of the subcommittee, and I am sure he will do everything he can to be of assistance to us in getting the reports we have been pleading for.

Mr. RUSSELL. I am grateful to the Senator for his remarks. Because of the condition in which the farmers of this country find themselves today, there is very little Congress can do for them. Therefore, I have felt a greater desire to assist them in such ways as I can in the appropriation bill in view of the fact that we have been unable to secure the two-thirds vote necessary to enact new legislation over the President's vetoes.

Mr. MORSE. I thank the Senator.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point in my remarks the statement I prepared to use in the debate this afternoon.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

The distinguished Senator from Georgia and his colleagues have earned our thanks for having improved the agricultural appropriations bill in many particulars as the result of their study. Those of us who hail from the Western States particularly would commend the increases which have been provided for soil and water research and facility needs. The increase of \$495,800 for this program for operating funds and the \$200,000 for the development of plans and specifications for needed construction at existing facilities are sound expenditures.

The \$25,000 for a further step-up in the sheep scabies eradication program and the \$19 million provided for brucellosis eradication will both be welcomed by many Oregon farmers. Likewise the committee action to restore the full amount of the budget request for State experiment stations is laudable. Even though the increase for this purpose is over a million dollars more than allowed by the House, it is justifiable.

The Extension Service increase of \$1.13 million over the budget reflects a confidence in the importance of this vital program which is shared by a great many of us who have profited by the advice and counsel of our own extension agents. I am particularly gratified that the committee is recommending \$250,000 over the budget estimate to permit the staffing of 20 additional soil conservation districts. Letters from every part of my State have told me of the difficulty faced by existing districts as SCS personnel were spread thin to service the districts being newly organized. Small watershed protection funds, a million and a quarter over the budget estimate, and \$9,250,000 over fiscal 1960 will be of great help in protecting this most important natural resource.

The \$18 million provided by both House and Senate for flood prevention work in the 11 authorized watersheds, is \$3 million more than the Bureau of the Budget was willing to recommend. Here, too, in my judgment the committee took action in the public interest.

The Agricultural Marketing Service recommendations of the committee, especially those relating to accelerating the lamb-on-feed reports will be particularly important to many sheepmen of our Western area.

Both the Rural Electrification Administration and the Farmers Home Administration increases are to be commended highly. The services provided by these agencies to our farmers are among the finest contributions made by any of the farm agencies. Both agencies have in the past striven to help the farmer to help himself in the im-

provement and modernization of his farmstead. Both are based upon sound financial principles, and each needs to have its operations extended.

The soil and water loan program of Farmers Home Administration has been especially helpful to many of our farmers, in the past, and, in my judgment, as funds and personnel to administer them are made increasingly available, the productive use of this financial resource will again increase.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I merely wish to join with the Senator from Oregon [Mr. MORSE], first in his well-merited commendation of the Senator from Georgia for his great work on this appropriation bill for the Department of Agriculture.

Second, I testified before the Subcommittee on Agricultural Appropriations in connection with the expansion of the crop reporting service, particularly for the crops which were mentioned, that is, the small fruits that are presently not given the reporting services that are required for good economic programming.

The State of Minnesota is one of the 17 States which we call the small fruit-producing States, which vitally need this service. The people have asked me to make representations to the appropriate committees, which I have done. As I understand, and as I have told our constituents, so far as new legislation is concerned, there is adequate authority right now to do this job, and the committees and the Congress have provided funds to make at least a beginning on this job, but the resistance is in the Department of Agriculture where, despite the authority and the funds, no effort has been made to adopt a program. Is that correct?

Mr. RUSSELL. The Department has not approved any part of this program even though it has had substantial support. The Senator from Minnesota [Mr. HUMPHREY] as well as the Senator from Oregon [Mr. MORSE] have both been before the committee on two different occasions, I believe.

Mr. HUMPHREY. The Senator is correct.

Mr. RUSSELL. They have urged some action, and the committee has been impressed to the extent that it recommended in last year's committee report that the Department make some start on reporting on these small-fruit crops.

We feel that in view of the attitude of the Department of Agriculture we are making as much progress as we can at the present time. We will get the year-end report this year—which we have not had before—and we will have submitted next year a program for a more complete reporting service for fruits and berries. I must say, however, that we have no assurance the department will approve such a program.

DIRTY WORK OF DOCTORS OF ALEXANDRIA, VA.

Mr. MORSE. Mr. President, I have received a copy of a letter from Mr. Guy

L. Brown, grand chief engineer of the Brotherhood of Locomotive Engineers, which he has sent to Hon. Arthur S. Flemming, Secretary of Health, Education, and Welfare, in regard to a very sad case of an old person who is living in great misery these days because of a failure, in my judgment, on the part of the Government of the United States to carry out its moral obligation to the old people of America.

I think this case is what we can call a very fitting exhibit of our dereliction as a Congress in respect to a duty which we owe the old people of this country.

I ask that there be inserted at this point in my remarks a letter from Guy L. Brown, grand chief engineer, Brotherhood of Locomotive Engineers, to Hon. Arthur S. Flemming, Secretary of Health, Education, and Welfare, dated May 13, 1960, and a copy of the letter which this elderly person had sent to Mr. Brown, in the first instance, which caused Mr. Brown to write the letter to Mr. Flemming.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BROTHERHOOD OF
LOCOMOTIVE ENGINEERS,
Cleveland, Ohio, May 13, 1960.

Hon. ARTHUR S. FLEMMING,
Secretary of Health, Education, and Welfare,
Washington, D.C.

DEAR MR. SECRETARY: I am attaching a Verifax copy of letter addressed to me by a member of the Brotherhood of Locomotive Engineers living in Alexandria, Va., which as you will see describes one of the most pitiful conditions I have ever seen.

It does not seem possible that a condition such as this can exist in these United States, and my purpose in bringing this to your attention is with the hope that it is evidence that will in turn be helpful in progressing legislation to assist our older citizens who have through no fault of their own arrived in the position in which this man now finds himself. If anything can be done to relieve this specific case certainly it will be appreciated not only by the man himself but by us.

I am furnishing our national legislative representative, Mr. John W. Turner, room 816 Labor Building, 400 First Street, N.W., Washington, (phone District 7-7936) with a copy of this letter and also a Verifax of the letter from Mr. Layman. If he can be of any assistance to you do not hesitate to call upon him.

I will appreciate any action you may take.
Sincerely yours,

GUY L. BROWN,
Grand Chief Engineer.

DIRTY WORK OF DOCTORS OF ALEXANDRIA, VA.
To All Members of Our Grand Lodge.

DEAR SIR AND BROTHERS: As I am a retired engine man, 70 years of age. Spent 35 years on engine out of Alexandria, Va., and now nothing but a wreck. I lost my wife in 1955 on Thanksgiving Day. At that time we were both in hospital for 2 months which the doctors, druggists, hospital and undertaker took all my life's savings, left me flat. Since then my health hasn't been any too good and at present time I manage to get to bathroom on two crutches. I draw \$164.20 pension, pay house rent \$107, water, light, and fuel so you see that doesn't leave much to live on, pay doctors and hospitals.

On April 8, 1960, I got down almost helpless in both legs which comes from bad circulation, legs were injured when on engine about 20 years past. Today I sit

here unable to get a doctor to come to my home to examine me or try to give me a little relief, just sit for day suffering with swollen stomach, short of breath, pains in legs severe. And every doctor I call says they don't make any home calls, for me to meet them in the hospital. First place I can't walk on second floor, cannot get down steps and on \$60 how can I get to any hospital, \$25 a day, doctor \$8, ambulance \$10 each way, bottle of pills \$5 or \$10, then other expenses. It is impossible to get any help or relief. Therefore I sit here and suffer day and night. I have carried hospitalization with American Assurance Society of Richmond, Va. for 30 years or more. When the hospitals jumped to \$25 I was 68. I tried to increase my amount like the younger ones did but nothing doing, so I get \$11 for so many days in hospital. This may not do any good now but do hope it may help some one in the future, or in making laws to help the disabled pensioned men. I have wrote my condition up to Senator BROXNILL and told or tried to show him the dirty work of the doctors in this city right in the shadows of the Capitol doors. I do know that there is cases of illness that requires the hospital and there is an untold number sent to hospital that are not able to pay, that can be treated at home by the doctor and traveling nurses. They are not treating the traveling nurse as they should yet every time you turn around or pick up a paper they are begging for donations to build another hospital. The doctors have a hospital here but a poor man cannot stand their fees.

It sure looks hard. I owe no man one cent, have no bills whatever and in my old age and crippled up I can't get a doctor to come in and wait on me. The doctors call at home all out through the country but nothing but colored doctors will call in Alexandria and but few of them only treats venereal diseases and the whites is afraid of them. About all they give you is a bottle of dope to numb you. I have one of them next door to me here.

If you see fit at any time to put this where it can cause laws to be made to give us disabled men some medical help you can use every word of this with my name signed to it as I can prove it. There sure must be a clique between the doctors and hospitals and half the time in Alexandria hospitals halls are full of maternity cases, and maybe a curtain around you a few minutes then move it to another one. And the hospitals here are after the city all the time as there is an immense bill against the city that the city has to send there down-and-out destitutes.

I hope both or all pensions will soon form some kind of relief to help the poor and aged and force the doctors to help charity. All stop and think a doctor charging you \$15 to \$35 for a physical exam just because he has put a speciality to his name.

Brothers, I do hope that my few words here will be of some help to cut out the dirty work of the doctors as they are doing and try to give the people a little service. I pray to our God for help.

Yours fraternally,

A. J. LAYMAN.

AREA REDEVELOPMENT—VETO

Mr. HUMPHREY. Mr. President, I deeply regret that the Senate did not override the President's veto of the so-called depressed areas bill. I had hoped to participate in that debate, but because of the limitations of time, this was not possible. The arguments which I heard advanced to sustain the Presidential veto only further convinced me that

there is an urgent need for the type of legislation which was passed in both Houses and sent to the President. It is my understanding that the so-called administration bill is before one of the committees of Congress, and I hope that that committee will act.

I hope that in the process of acting, it will add amendments which are a part of the bill that the President vetoed. I do not believe Congress should retreat 1 inch. I believe I have some personal knowledge from personal observation in several States of the Union as to the need for legislation along the lines of that we passed in Congress on two separate occasions, not this halfhearted, weak, and totally inadequate proposal advanced by the administration.

U.S. LEADERSHIP FOR PEACE—THE WORLD COURT

Mr. HUMPHREY. Mr. President, the Wichita, Kans., Morning Eagle has used the recent comments of an Indian diplomat to point up most effectively the basic contradiction between American statements and actions as the leader of efforts to secure peace with justice and the American failure to recognize the appropriate role of the World Court in this effort.

Mr. President I ask unanimous consent that an editorial from the Wichita Morning Eagle of May 9 1960 entitled "U.S. and World Court," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

U.S. AND WORLD COURT

Indian Ambassador Chagla chides the United States for making a mockery of the International Court of Justice by restrictions on its jurisdictions. This refers to the so-called Connally amendment reserving to the United States the right to determine whether a dispute is essentially a domestic matter and not subject to adjudication by the World Court.

"You must not forget," said the Indian Ambassador, "that the United States claims to be the leader of the free world. She wants peace but peace with justice, and how can you ever have justice if the only forum which can settle international disputes is reduced to a humiliating position where it cannot entertain any disputes which ought to be properly decided by it?"

President Eisenhower, Vice President Nixon, the American Bar Association and many others have advocated repeal of this amendment. Senator HUBERT HUMPHREY, Democrat, of Minnesota, has a repeal resolution pending in the Senate. It is vigorously opposed by many powerful organizations as a surrender of U.S. sovereignty.

But the Indian diplomat is right in saying that the World Court will never amount to much until the United States, and all other nations supposedly adhering to it, use it as an instrument for the adjudication of international disputes. No doubt a few well publicized decisions by the court would accustom the peoples of many nations to the rulings of a body designed to promote world order.

RETENTION OF THE CONNALLY AMENDMENT—PRO AND CON

Mr. HUMPHREY. Mr. President, two distinguished American lawyers, both past presidents of the American Bar

Association, debated in the columns of the Christian Science Monitor of April 28, 1960, the question: "Should the Connally Amendment Be Retained?"

This exchange between Frank E. Holman, arguing for retention; and Charles S. Rhyne, arguing for repeal as called for in my proposal, Senate Resolution 94, is a great service to the responsible discussion of methods for peaceful settlement of disputes among nations. The participants and the Monitor are to be complimented on presenting it.

Mr. President, I ask unanimous consent that this most interesting and valuable debate be printed in the RECORD.

There being no objection, the text of the debate was ordered to be printed in the RECORD, as follows:

SHOULD THE CONNALLY AMENDMENT BE RETAINED?

(At the request of the Christian Science Monitor, two prominent American lawyers have agreed to present this written debate on the question of whether to retain the Connally amendment. This is the amendment which specifies that the jurisdiction of the International Court of Justice shall not apply "to matters * * * essentially within the domestic jurisdiction of the United States as determined by the United States." Both debaters are former presidents of the American Bar Association.)

ARGUMENTS FOR

(By Frank E. Holman)

Nature of the reservation

The United Nations Charter, in establishing a World Court, accorded it no compulsory jurisdiction except as each nation agrees in a "declaration" deposited with the Secretary-General. The U.S. declaration reserved the right to determine when a particular matter is domestic and hence not properly a subject of international control.

Domestic questions protected by the Connally reservation

Immigration: The reservation prevents the Court holding that the United States, contrary to its immigration laws, must absorb nationals from overpopulated areas—China, India and elsewhere.

Tariffs: Traditionally a domestic matter; yet this affects world commerce. Without the reservation, the Court could treat tariffs as international, and regulate them.

Offshore rights: These involve fisheries, oil and other natural resources. The Court could internationalize offshore rights, holding they should be shared with other nations.

Panama Canal: Its control is essential to the safety and welfare of the United States. We paid for it. Without the reservation, the Court could internationalize this strategic waterway.

Foreign aid: The World Court has jurisdiction over breaches of international obligation and the nature and extent of reparation. The United Nations Charter contains many humanitarian obligations—committing nations to promoting full employment and social and economic progress for all peoples of the world. Undeveloped nations could complain we have not complied with such obligations, and the Court could grant reparations therefor.

It is said the Court can be trusted to treat such matters as domestic. This is unlikely, as demonstrated by the known activities of the Human Rights Commission.

Comparison between World Court and Commission on Human Rights

Actually, the World Court is not a court. No tribunal functions as a court where not bound or guided by definite rules of law. Formulating its own rules, it adjudicates ac-

cording to the individual concepts and national interests of its members.

The Court is only an international commission of 15 members—one each from United States, Great Britain, and Australia—others from United Arab Republic, Nationalist China, Greece, Poland, France, Mexico, Panama, Argentina, Uruguay, Norway, Pakistan, and the Soviet Union.

The Human Rights Commission also had one member each from the United States, Australia, and Great Britain. Like the Court, other members came from countries having different historical and legal backgrounds not fitting them to appreciate what, to us, is domestic rather than international in character.

Why should the Court approach matters differently than the Commission, whose members were likewise distinguished citizens of their respective countries—a number also able lawyers? The Commission reflected their differing historical and legal backgrounds so that, regardless of charter prohibitions (like art. 2, subpar. 7), against intervention in matters essentially within the domestic jurisdiction, they formulated various conventions violating such charter provisions. The Court, man for man and in the aggregate, represents no different ability or integrity than did the Human Rights Commission.

The difficulty is inherent in both instances. Nations like Pakistan, United Arab Republic, Greece, Lebanon, Poland, South American countries, and the Soviet Union are grounded in systems of law not fitting them to understand what to us is a domestic matter.

Among many unbelievable results in the Commission's deliberations was that, after 400 meetings, the majority refused to include in the Human Rights Covenant any provision recognizing the basic American right to own private property and be secure in its enjoyment against arbitrary seizure by government.

In connection with many other American concepts like freedom of speech and of press, a majority of the Commission, in formulating covenants, so little understood our concepts that these freedoms, rather than being recognized and protected, were highly restricted to conform to a common denominator agreeable to the political systems of other countries.

Violations of the letter and the spirit of the charter

At first, Americans believed the charter provisions sufficiently protected our control over our domestic affairs. Soon, disillusionment followed.

John P. Humphrey, Director of the Human Rights Commission, stated (January 1948) that the Commission proposed to establish a supernational supervision over the relationship of a state to its citizens—a matter "traditionally within the domestic jurisdiction of nations."

Moses Moskowitz, of the United Nations staff, stated (April 1949) that, under the official view, any matter becoming the subject of a U.N. convention or even of a resolution ceased to be a "matter essentially within the jurisdiction of a member state."

The Acheson State Department (Publication 3972) stated: "There is now no longer any real difference between domestic and foreign affairs."

Following such pronouncements, without the Connally reservation, named for its sponsor, former Senator Tom Connally, Democrat of Texas, why would the Court hesitate to hold that domestic affairs are international and hence subject to adjudication by the Court?

Favorite arguments for repeal of the Connally reservation

These arguments assert that in making and retaining the reservation, we are guilty of an unworthy act which is a disturbing factor

stated not in simple annual rates but in dollars of purchase price a year. The New York law says installment lenders may not charge more for credit than \$6 a year for each \$100 of purchase price.

It also reflects on the Congress. For, only several weeks ago, the Congress passed an automobile installment loan law for the District of Columbia that uses the same method.

CROWDED DOCKETS OF FEDERAL COURTS

Mr. ALLOTT. Mr. President, shortly after coming to the Senate, I began an effort aimed at providing more realistic recognition of the appalling problem facing our Federal courts. In my own State of Colorado, the backlog of cases has forced litigants to wait as much as 3 or 4 years before their cases come up for hearing.

This situation is not unique in the Nation. Everywhere we are besieged by jurists and lawyers, by bar associations, and private citizens to provide the necessary relief. Articles in all media of the press have appeared almost universally in favor of speedy action by this Congress to create the needed judgeships.

Mr. President, a very timely, clearly written article of this nature appeared in the May 15 edition of the Denver Post. Its author, Reporter Tom Wilson, who spent part of last year here as an intern in government with the Congress, documents the judicial logjam in our area in a manner I am sure will be of interest to all. So that all Senators may have the opportunity for study of this article, I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JUSTICE IMPAIRED BY OVERLOADED DOCKET IN DENVER'S FEDERAL COURT (By Tom Wilson)

Justice delayed is justice denied.

This legal axiom has a special pertinence for the U.S. Federal District Court for Colorado. In this court, justice is constantly delayed and therefore, in many cases, denied.

The delay is not deliberate. The court's two judges, Chief Judge Alfred A. Arraj and newly appointed Judge Hatfield Chilson, work long hours.

The court has no summer recess. Visiting judges are brought from other districts to hear Colorado cases. The pretrial conference and revised rules for filing and administering the legal actions have been instituted to speed justice.

But because cases are filed at a faster rate than they can be disposed of, the backlog continues—and grows.

At the end of July 1957 there were 314 civil cases and 57 criminal cases pending before the court. Last April 30, the court faced a backlog of 427 civil cases and 75 criminal actions.

In fiscal 1959 the average Federal judge held nine criminal jury trials. Colorado's 2 judges held 41. North and South Dakota, each with two Federal judges, held eight such trials.

The delay particularly affects civil actions. The Federal Constitution requires a speedy trial for those accused of criminal violations.

Criminal cases, therefore, have precedence over civil cases. Thus new criminal cases push existing civil cases further back on the court's docket.

The court's average of 3 to 4 months between the filing of criminal complaint and the beginning of trial is one of the best in the Nation, according to Judge Arraj.

The 2-year average for civil cases is one of the worst.

There are many ways a 2-year delay can work a hardship on a litigant.

A court trial is a search for truth. Most attorneys agree the major problem in a trial is keeping the evidence as factual and as distinct as possible.

Facts are presented by witnesses or by documents presented by witnesses. In 2 years, memories dim, witnesses move or die.

The litigant is often forced to pay for an expensive search for a witness. Sometimes he finds he cannot afford such a search or meet the cost of bringing the witness to Denver for the trial.

And for the lack of a witness the case may be lost.

Financial hardships suffered by the plaintiff in waiting for a civil damage trial may lead to an out of court settlement, at a figure less than just, because he cannot afford to wait for justice.

A man injured in an accident may have a just claim for damages. He usually will have large expenses in medical bills and loss of time on his job.

Though the case must wait 2 years for a hearing, the plaintiff's creditors often will not. Thus a settlement that may serve the creditors but not justice often takes place.

In tort cases, those not involving contracts, the defendant who must pay damages does not pay interest on them until they are awarded at the trial.

In Colorado cases, the defendant will thus have the use of his money for 2 years. The plaintiff gets no compensation for the delay.

A man who files suit in Federal court to compel a defendant to comply with the terms of a contract or lease may find the disputed agreement has expired before the trial is set.

The law that establishes the district of Colorado says that the court shall hold sessions in Denver, Durango, Grand Junction, Montrose, Pueblo and Sterling.

No trials have been held outside of Denver for 4 years, Judge Arraj says, because the court cannot afford the extra time the judicial trips would use.

Litigants have been faced with the fact that it would cost them more to bring their attorneys, witnesses, and evidence to Denver than they would gain in their suit, if they won.

Outstate attorneys must pass on clients to Denver associates because they cannot expect the clients to pay for frequent trips to Denver to handle the many preliminary actions that precede the actual trial.

If Colorado were to get a third judge, the court would resume outstate sessions to try cases in the area where they originated, Judge Arraj says.

This third judge solution has been before Congress for several years.

A bill to create 45 new Federal judgeships, including one for Colorado, has been approved by the Senate Judiciary Committee and is before the same committee of the House of Representatives.

But the pressure of the early adjournment date, necessitated by the coming political conventions, and the unwillingness to deal with a major patronage plum just before the voters designate the relative strength of the parties, will probably put the issue off until the next Congress.

Next year the bill's chances may improve. Many attorneys believe that delay in the administration of justice is not only unfair to the persons involved, but may be eroding away this Nation's traditional respect for justice.

"The judicial branch of Government is designed to protect the rights of the individual citizen," U.S. Attorney Donald G. Brotzman says.

"The citizen should have confidence that this branch will assist him in obtaining his basic legal rights and it is important that this confidence is maintained.

"I fear that as the public experiences injustice due to delay, their confidence in our judicial system will be diminished to the detriment of our whole concept of justice."

Without a third judge, Judge Arraj believes the Colorado Federal docket can be kept little more than current.

This would involve the continued use of visiting judges—an expensive and inefficient expedient—and the continued pressure of the backlog on the whole court.

The 2-year delay for civil cases would remain.

THE U-2 SPY PLANE INCIDENT AND THE SUMMIT CONFERENCE

Mr. ALLOTT. Mr. President, I have in my hand an article which is of particular significance in view of President Eisenhower's recent return from Paris. With the overwhelming display of affection and national unity represented by the tremendous crowd here in Washington still fresh in our minds, with the clarity of purpose and statesmanship of Mr. Eisenhower becoming more evident every day, here is one more piece of evidence to add.

Many correspondents, many spokesmen, were quick to leap upon the trap baited by the Russians into which we were supposed to have fallen when the announcement of the U-2 spy plane was made. But the facts have tended to show a somewhat different picture in recent days in light of Khrushchev's vile performance, his almost maniacal tirade before the press in Paris, and his insistent hammering at a single, threadbare theme. How threadbare is shown in this article by Nicholas Blatchford which appears in the May 20 edition of the Washington Daily News.

Mr. President, in a point-by-point countdown, Mr. Blatchford gives the lie to Khrushchev's tale of the shooting down of the U-2, of his double deceit during his visit to this Nation, and of the premier's obvious intention to sabotage the summit, no matter what the excuse.

Mr. President, I ask unanimous consent that the article be reprinted in the RECORD at this point in my remarks so that we may have its added weight as permanent proof of the Russian premier's deceit.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KHRUSHCHEV AND THE CAT (By Nicholas Blatchford)

Khrushchev made two serious errors in the raucous press conference he held after the summit collapse. The first could even cost him his hide.

Things were going along famously—bluff, bombast, threat, smile, snarl—when a correspondent for the National Broadcasting Co. cleverly baited a trap for him—proving that at least some radio-TV correspondents are on the ball. And Khrushchev promptly fell in—proving that he is not always as fast on his feet as he sometimes seems.

"Why," the NBC man asked, "since you knew about these (U-2) flights, did you not tell President Eisenhower about them and ask him to stop them when you visited the United States?"

It was a sneaky question—sneaky because the Russian leaders had not acknowledged, to their own people or to anyone else, that they knew of the U-2 flights until they'd brought one down.

Nevertheless, Khrushchev waded right in, saying, "I will answer that question with pleasure." He explained that when he was at Camp David with Ike "I almost opened my mouth to make that statement" but then decided "not to raise the matter with this friend of mine."

The cat was out of the bag. Here was a stark admission that:

Khrushchev had known about the U-2 flights ever since last fall and probably ever since we first started making them, some 4 years ago. Why did no one demand a public apology then?

He and his cohorts in the Kremlin had concealed these "aggressive espionage flights" from the Russian people. (For obvious reasons: They couldn't knock the U-2 down, probably because it normally flies too high.)

The big show of outrage, surprise, shock, indignation and horror at the ill-starred flight of Pilot Powers was, therefore, so much eyewash, a convenient way to scuttle the summit conference before it was launched.

We doubt that Khrushchev will be forgiven this slip by his stony-eyed friends back home.

The other blooper was made when Khrushchev told the assembled correspondents two true stores:

When he was a child and the family cat would try to mooch some cream, his mother "usually took the cat by the scruff of the neck and gave it a good shaking."

Apparently this left its mark on the boy, because we find Khrushchev coming back to the theme later in the conference.

"This recalls to my mind," he said, "what we used to do in the Donbass when I was the young boy. Whenever we caught a cat in the pigeon's loft, we would catch the cat by its tail and bang its head against the wall and that was the only way it could be taught some sense."

With that statement, Khrushchev probably lost twice as much ground as he had gained in all his travels. We don't just mean he lost the vote of all the nice, little old ladies in Dubuque, Iowa.

It is one thing for a boy to swing a cat against a wall by its tail. It is another thing for a grown man to boast of it.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

Mr. HILL. Mr. President, the pending bill is a good bill, a sound bill, and one which will continue support for many of the tried and proved programs of American agriculture. In this bill there is much of the ability, much of the knowledge, much of the experience, and much of the wisdom of the senior Senator from Georgia [Mr. RUSSELL], who has served as chairman of the Senate Agricultural Appropriation Subcommittee since he first came to the Senate in 1933.

Mr. RUSSELL. I might remind the Senator from Alabama that for 2 terms, unfortunately, the electorate brought about a Republican majority in the Senate.

Mr. HILL. That was unfortunate indeed. However, ever since the Senator from Georgia has been in the Senate he has served as chairman of the subcommittee when the Democrats were in control of the Senate.

Mr. RUSSELL. I thank the Senator.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MUNDT. There is a certain implication contained in the remarks of the Senator from Alabama, but I am sure that he did not mean to imply it was unfortunate that the distinguished Senator from North Dakota [Mr. YOUNG] was the chairman at the time there was a Republican majority in the Senate. Being a southerner, he may feel that it was unfortunate we had a Republican majority in the Senate. However, I am sure he will agree with me that it was good to have Senator Young at the helm at the time.

Mr. HILL. I agree with the distinguished Senator from South Dakota that, since we had to have a Republican Senate, we were extremely fortunate to have the distinguished Senator from North Dakota [Mr. YOUNG], my good friend, the friend of the farmer, the very outstanding Senator from North Dakota, as chairman of this subcommittee.

Mr. MUNDT. I believe the reason that we had to have a Republican Senate—and it was certainly essential that we had one—had nothing to do with what the distinguished Senator from Georgia [Mr. RUSSELL] always does when he is at the helm of a committee.

Mr. RUSSELL. I thank the Senator.

Mr. HILL. Through the years, the distinguished Senator from Georgia has been a most eloquent spokesman in the battle to enable the farmers of our Nation to obtain a fair share of the national income and to enjoy the fruits of American prosperity.

As a member of the Senate Agricultural Appropriations Subcommittee, I have had the privilege, over a number of years, to witness at close range the ability, intelligence, and integrity, the fearless dedication and the absolute determination, of the Senator from Georgia to win justice and equity for our farmers.

The farmers and the farm families of America have no greater friend than DICK RUSSELL. His name stands in the forefront of any rolloall of Senators who have sponsored and worked and fought for price supports on basic farm commodities, rural electrification, soil conservation, farm credit, farm housing, the school lunch program, and many other great programs benefiting our farm families.

Mr. President, I take this opportunity to commend and congratulate my able and distinguished colleague from Georgia for his understanding, for his devotion, and for his magnificent leadership in the cause of agriculture and the farmers of America.

I am delighted that the good people of Senator RUSSELL's home State of Georgia had the richly deserved appreciation of him to again this year nominate him without opposition to a fifth full term in the Senate.

We all know that he is one of the great Members of this body, and we do hope that he may enjoy many more fruitful years of service to his State and to our country.

Mr. RUSSELL. Mr. President, I am overwhelmed by the very eloquent speech delivered by my beloved friend, the Senator from Alabama [Mr. HILL]. I am sure he must view me through eyes which are colored by glasses of friendship; otherwise he would never have made those statements. I am highly honored and deeply grateful.

Not in a back-patting attitude, I may say that I have often thought that of those who serve in the Senate today—and there are many great Senators here—the distinguished Senator from Alabama, through his great contribution to the cause of health in this country, through the Hill-Burton hospital program, and through his sponsorship of research to conquer the diseases that plague our people, is one of the few Members who will find a permanent place in the history of this country. That makes me all the more grateful for his very complimentary references to me.

Mr. RANDOLPH. Mr. President, it is my understanding that H.R. 12117, the fiscal 1961 appropriation measure for the United States Department of Agriculture, does not include new funds for fruit research in the Agricultural Research Service.

The commercial fruit industry—and I refer particularly to the production of apples and peaches—is most important to the economy of West Virginia. In 1958 and 1959, West Virginia ranked 7th in the Nation in the production of apples, which, in 1959, amounted to 5,700,000 bushels. In 1958, the cash value of our apple crop amounted to \$8,500,000.

In the matter of peach crop, West Virginia ranked 17th in the Nation both in 1958 and 1959.

The labor force required to produce, harvest, and market in the industry is also important because of its contribution to needed employment in West Virginia. However, conditions in marketing are subject to constant change, and these changes bring new challenges which must be met by intensified and expanded research.

By and large, when we appropriate a dollar for research and apply it to the specific purpose for which the money has been appropriated, there is not only a return of the 100 cents on the dollar invested, but, also, a further return in the form of a dividend to the industry, to the productivity of the persons, and to development within the industry. This is important to a State like West Virginia.

I have received two communications in recent days from the organization which is representative of the apple growers in the States of West Virginia, Virginia, Maryland, and Pennsylvania.

Carroll R. Miller, who is the secretary-manager of the Appalachian Apple Service, Inc., and who is a citizen of West Virginia, residing at Martinsburg, set forth in his communication this language which I call to the attention of the distinguished senior Senator from Georgia [Mr. RUSSELL], who presents the appropriation bill this afternoon, for his consideration:

In apples, as in many fruits and vegetables, most growers are literally battling for survival in this riptide of change that has been gaining momentum in the past 10 years or more—nationally and worldwide. These changes have brought new conditions—new facts that must be faced. Only systematic research can find these facts. Research is the prime necessity today.

Then Mr. Miller uses this expression:—

We seem to be about 20 years behind with the facts, and it is hurting.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the telegram dated May 12, 1960, from Mr. Miller, and his subsequent letter of May 18, 1960, both of them on the subject matter which I have been discussing during the last few minutes.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

MARTINSBURG, W. VA., May 12, 1960.

Senator JENNINGS RANDOLPH,
Senate Offices, Washington D.C.:

House agricultural appropriations bill seems to have denied all funds for vital new fruit research asked for repeatedly by the highly responsible deciduous fruit advisory committee. Bill also cuts vital pesticide research funds from requested 1½ million to only 250,000. Both funds are most important to applegrowers and fruit and vegetable growers just now. This four-State organization of 1,308 applegrowers earnestly asks your help in restoring these funds.

APPALACHIAN APPLE SERVICE,
CARROLL R. MILLER, Secretary.

APPALACHIAN APPLE SERVICE, INC.,
May 18, 1960.

Senator JENNINGS RANDOLPH,
The Senate Offices,
Washington, D.C.

DEAR JENNINGS: Thank you for your quick response to our May 11 wire about the slashes the House inflicted on fruit and vegetable research funds; for both this threatening pesticide problem and for our marketing problems.

In apples, as in many fruits and vegetables, most growers are literally battling for survival in this riptide of change that has been gaining momentum the past 10 years or more nationally and worldwide. These changes have brought new conditions: new facts that must be faced. Only systematic research can find these facts. Research is the prime necessity today.

New chemicals have brought problems not yet understood by anyone as yet; fearsome to many; and fodder for sensation-hunting publicists, with possible sudden and ruinous effects on the industry. Only quick, competent research can get at the facts. The House slashed the considered request for \$1½ million for this to a quarter million.

This tidal wave of change is running also in marketing. A successful independent grocer told me the other day that over two-thirds of the items on his shelves now come from a double handful of the giant food manufacturing firms: Swift and Armour, General Mills, Pillsbury, and General Foods, and so on. Apples must sell in this highly organized competition—but how? The right

answers to this are imperative. The National Apple Institute has asked the Department of Agriculture to help find the facts, since they have the authority and the trained research personnel. They are willing, but it takes funds not yet authorized. We seem to be about 20 years behind with the facts and it is hurting.

We will genuinely appreciate your continued efforts to repair the House's slashes.

Sincerely,

CARROLL R. MILLER,
Secretary-Manager.

Mr. RANDOLPH. Mr. President, I am in the position, in a sense, of being after the fact rather than before the fact. The House did not act in the manner in which my constituency and the constituency of the Senators from the other States in the apple belt feel it should have acted in reference to new research moneys, especially for apples and peaches. However, I understand—and I feel certain there will be a clarification by the able Senator from Georgia—that the money which was requested—the figure proposed is \$100,000—is not available during fiscal 1961 for intensified research in the field of commercial fruit. I believe the need is not only in the specific area for which I plead, but is also national in its scope and application, if the funds were to be provided for the purpose I have indicated.

I had the privilege earlier this afternoon of conferring with the Senator from Georgia. I am sure it is his desire to clarify the situation for me, and also perhaps to make a comment on the possibility of having funds, if not included in the present appropriation bill, at least actively considered for incorporation in the bill next year.

Mr. RUSSELL. Mr. President, the distinguished senior Senator from West Virginia is always impressive and compelling in his statements. The approach to this subject is no exception to that rule.

I can reassure him as one of the matters which is dealt with by the telegram from his constituents. So far as concerns appropriations for needed research into pesticides and insecticides, and the residue therefrom, the Senate committee appropriated all the many funds which were requested by the Senator's constituents. We appropriate the full \$1,500,000 which was asked for this very important study.

Mr. RANDOLPH. The Senator from Georgia is certainly correct and is helpful in this situation. I advised my constituency of the fact that the Senate had so acted, and we are grateful to the committee for the recognition of that need.

Mr. RUSSELL. I have listened with careful attention to the Senator's statement. As I said yesterday, and as I have indicated on other occasions, the subcommittee and the full Appropriations Committee have been most attentive to all requests for research which have been submitted to us. I do not know just what the Senator's constituent has in mind as to any specific area of research which would be beneficial to the fruit and vegetable interests of the Nation.

There is included in the bill some \$500,000 for basic research in fruit—in apples, pears, peaches, and other stone fruits. Without knowing exactly what

specific project the Senator's constituent has in mind, I cannot advise the Senator as to whether any of that money will be expended for that particular purpose or not.

But if the fruit producers will develop a specific program and will bring it to the attention of the committee, I can assure the Senator from West Virginia that next year we shall give it very sympathetic consideration.

Mr. HOLLAND. And perhaps this year, by means of a supplemental appropriation bill item.

Mr. RUSSELL. I may say that if the Senator can obtain a detailed statement, then—as suggested by my friend, the Senator from Florida [Mr. HOLLAND] who is such a valuable member of the subcommittee—we might be able to give it consideration in connection with a supplemental appropriation bill before the adjournment of this Congress.

But without more definite information as to the specific area of research which Mr. Miller has in mind, I cannot inform the Senator from West Virginia whether the bill provides an adequate amount of money for such purpose or not.

Mr. RANDOLPH. Mr. President, in response to the clarification the Senator from Georgia has given, which is helpful, and also in response to his assurance, which is, frankly, very pleasing, I wish to state that I believe the attitudes expressed by both the Senator from Georgia and the Senator from Florida are, indeed, most fair and much appreciated.

There rests upon me the responsibility to work with these apple growers, in reference to an intensification of research in the fruit industry which they believe to be necessary. I believe that the hope of possible consideration of this subject in connection with a supplemental appropriation bill will give us an opportunity to move in the direction which these men have indicated should be taken.

Mr. RUSSELL. Let me say to the Senator from West Virginia that there is an old maxim that applies to these research items, as well as to many other areas of appropriations: "A squeaking axle gets the grease."

Over a number of years I have noticed that agitation which is carried on unremittingly for a number of years nearly always gets some results. So if the Senator from West Virginia will obtain detailed information and will press vigorously enough, I am sure that one of these days we shall be able to direct some research to the areas in which his constituents are interested.

Mr. RANDOLPH. Mr. President, if the Senator from Georgia will indulge me long enough to permit me to make an observation in connection with my friend's reference to the squeaking axle, I would turn for a moment to the words of the poet, Josh Billings, who said in reference to a wheel:

I don't believe in kicking; it an't likely to bring one peace.

But the wheel that squeaks the loudest is the one that gets the grease.

So, although I would not want the wheel to turn improperly in connection with a matter of this kind, I repeat that

I am grateful to my friend; the highly competent Senator from Georgia; and I am also grateful for the suggestion in which he is joined by my equally good friend, the able and diligent Senator from Florida [Mr. HOLLAND].

Mr. MUNDT. Mr. President, I should like to direct the attention of the chairman of our subcommittee [Mr. RUSSELL] to one item in the bill, in order that we may ascertain, by way of a statement of the legislative history, the intention of the Appropriations Subcommittee in marking up the bill in reference to the conservation reserve program.

I think perhaps the report as it appears on page 10 is not completely reflective of what the subcommittee had in mind.

So I should like to call to the attention of the chairman of our subcommittee the language which appears on page 21 of the bill. On that page, the bill shows that the House of Representatives allowed \$310 million for the conservation reserve program—for the expenses of liquidating and administering the program which now is underway. But to that item, our committee added \$25 million, so as to make a total of \$335 million, and added the following proviso:

Provided, That not to exceed \$12,000,000 shall be available for administrative expenses, of which not less than \$10,000,000 may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938":

My reason for directing the attention of the chairman of the subcommittee to this item is that at times there is a feeling, when money is earmarked in this way and is lumped together, as funds for both Washington office expenses and State office expenses, that there is a tendency for the State office expenses to be curtailed, in favor of the administrative expenses incurred in the central office in Washington. But certainly that was not the intention of our subcommittee.

We recognized, from what we heard during the hearings and from our observations of the programs, that, basically, these programs are administered by the county committees; and next in priority are the State offices and the State committees, which must supervise the administration in the respective States.

So I wish to ask a question of the Senator from Georgia: Is it not true that what we had in mind in this connection, and in including the additional \$25 million appropriation for this purpose, was that after the legitimate needs of the county committees are first met, our next concern is to see to it that the State offices and the State committees have sufficient administrative funds with which to work with the county committees in meeting the local problems?

Mr. RUSSELL. Certainly that was the committee's intention, as I understand it. As a matter of fact, this program has expired, insofar as the assuming of any new contracts is concerned; and no policies are to be formulated on the national level. The supervision on the national level is at a very minimum; and it seems to me that the only proper order of priority would be first to take

care of the needs of the county offices which deal with the conservation reserve program; and second, to take care of the requirements of the State offices. And if there is to be any substantial reduction, it should occur in the Washington office, because of the fact—as I have stated—that the program has expired, and is now to be administered only in the field, in dealing with those who already have Government contracts in connection with the conservation reserve program.

Mr. MUNDT. I thank the chairman of the subcommittee. That certainly confirms the understanding of the subcommittee as I comprehend it, and what the chairman of the subcommittee has pointed out is emphatically correct. Since this program is expiring and new contracts are not to be entered into, and obviously no new policy is to be available, the funds for administering this particular program are not great. However, it is important that, at the State and county level, there be adequate funds to see that the contracts are fulfilled in conformity with the manner in which they were written.

I thought it was well, since the report did not go into these matters, specifically to add this statement as a part of the legislative history, so those administering the funds will know precisely and exactly what the subcommittee had in mind.

Before taking my seat, I should like to add my own words of felicitation to the wonderful services being rendered by the Senator from Georgia [Mr. RUSSELL] in the U.S. Senate as a whole, and specifically today in connection with his chairmanship of the Appropriations subcommittee on agriculture.

I can say, as one who has sat in that committee for some time, that he questions the witnesses with penetration, with sympathy, and with an eagle eye for economy and for making a dollar to a dollar's worth of work. He administers the committee and conducts it in a completely nonpartisan manner. I cannot recall at any time in the history of our committee when we have had a vote divided on party lines. We have had differences of opinion as individuals, as Senators should have, but never has there been any partisan or political maneuvering in the committee. I think it is good for the country as a whole, and the farmers in particular, to know they have a good friend in Dick Russell as chairman of the subcommittee, who watches over their interests, as do the taxpayers who do not happen to live on farms, but who can be assured that the economic philosophy of the Senator from Georgia is not limited to the committee room.

Mr. RUSSELL. I wish to express to the Senator from South Dakota my profound gratification. "Praise from Sir Hubert is praise indeed." The distinguished Senator from South Dakota has been an active, intelligent friend of the farmers of this country since he first took the oath as a U.S. Senator. I am pleased that he has stated there is no partisanship in this committee. I can certainly bear testimony to the fact that partisan considerations on the part of the distin-

guished Senator from South Dakota have played no part whatsoever in his activities on the committee. His sole guiding star is the welfare of the farmers of the United States, and during my tenure of office the farmers of this country have had no truer, more diligent, or more determined friend than the distinguished Senator from South Dakota.

Mr. MUNDT. I thank the Senator.

Mr. BUSH. Mr. President, I hesitate to inject a discordant note at this time, but I shall vote against H.R. 12117, the Agricultural and Farm Credit Administration appropriation bill, 1961, in protest against the refusal of this and other Democratic-controlled Congresses to cooperate with President Eisenhower and Secretary of Agriculture Benson in the enactment of a farm program which makes sense.

The people of Connecticut are becoming increasingly outraged by the failure of this Congress to take action to solve the farm problem, and end a wasteful program which does not work, and never will work unless changes are made in existing law, as repeatedly recommended by the President.

Opinion in my State was accurately reflected in an editorial entitled "Three Thousand Seven Hundred and Fifty Dollars a Minute" in the Bridgeport Post of March 22, 1960, which points out that the taxpayers of the Nation "are paying a terrible price" for the present unsuccessful farm program and "are also paying a terrible price for the failure of our statesmen to develop a program that will work, or be big enough to scrap the one that doesn't."

Mr. President, I ask unanimous consent that the editorial to which I have referred may be included in the RECORD following these remarks.

The PRESIDING OFFICER. Without objection, it is ordered.

(See exhibit 1.)

Mr. BUSH. Mr. President, H.R. 12117 provides funds for programs which I heartily endorse, such as lunches for school children, watershed protection, State experiment stations, and emergency famine relief to friendly peoples. I wish it were possible for me to vote separately in support of adequate funds for these worthy purposes. However, of the \$4 billion in the bill, approximately \$3 billion is for the support of activities of the Commodity Credit Corporation. This agency administers the high, rigid price support programs insisted upon by the majority of this and prior Congresses. As a result, despite efforts to reduce CCC's inventories, the taxpayers' investment in surplus farm commodities is estimated to increase to \$9.5 billion by June 30, 1961, from \$8.6 billion at the start of the current fiscal year.

I cannot acquiesce in this continued waste of the taxpayers' funds. Consequently, I shall vote against the bill.

EXHIBIT 1

THREE THOUSAND SEVEN HUNDRED AND FIFTY DOLLARS A MINUTE

In a recent statement, President Eisenhower told the taxpayers that it costs them \$1,500,000 a day for the Government's wheat program. That is at the rate of about \$1,000 a minute. But that's only part of the story as the wheat bite is only a small part of the

cost of agricultural stabilization, which costs the taxpayers more than \$3,750 a minute, or about \$5,400,000 a day.

A lot will be heard about this figure in the coming Presidential campaign. There are only three brackets of taxpayers whose annual payments to the Treasury could pay for this program.

There are about 5 million citizens whose adjusted gross income runs from \$5,000 to \$6,000 a year. On the average they are heads of families, own one car and work hard. Each year they turn in to Uncle Sam about \$3 billion. The stabilization program costs about \$2 billion.

Then there are 3 million in the \$6,000 to \$7,000 bracket who pay about \$2.4 billion a year. The third rich vein of income pay-dirt are the \$10,000 to \$15,000 people. There are about a million of these who turn in a little more than \$2 billion annually.

The point is that the entire take of millions of taxpayers must go each year to pay for an unsuccessful farm program. The one undisputed fact about the program is that it does not work, never has worked, and it never will. The program is wasteful and ineffective and the taxpayers are paying a terrible price for it. They are also paying a terrible price for the failure of our statesmen to develop a program that will work, or be big enough to scrap the one that doesn't.

The farm problem is almost 40 years old and getting worse and more expensive.

But there is one thing the politicians never forget—the farm vote, and they are being just as careful about it today as they were in 1920, when the farm population was two and a half times greater than in 1960.

Mr. WILLIAMS of Delaware and Mr. KERR addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. WILLIAMS of Delaware. Mr. President, I was going to offer an amendment to the bill, but I am willing to withhold if the Senator from Oklahoma is in a hurry.

Mr. KERR. Mr. President, I am going to offer some amendments to the bill.

The PRESIDING OFFICER. The Chair recognized the Senator from Delaware, in an effort to be impartial in the recognition of Senators.

Mr. WILLIAMS of Delaware. Mr. President, I am willing to yield to the Senator from Oklahoma, if the Senator from Oklahoma is in a hurry. I can offer my amendment later, if that will accommodate the Senator.

Mr. KERR. Mr. President, I would be very grateful. I thank the Senator from Delaware.

Mr. President, I have at the desk three amendments. One relates to the amount in the bill for planning under the watershed protection program. One relates to the amount to be appropriated for the watershed protection program. The other has to do with the appropriation for the flood prevention part of the program.

I have given a copy of each one of these amendments, Mr. President, to the distinguished chairman of the subcommittee, the Senator from Georgia [Mr. RUSSELL].

I wish to say that I have listened with great interest to the kind things which have been said about the Senator from Georgia this afternoon. I know how well-founded they are, and I am happy to join in the spirit of what has been said

in tribute to the Senator for the great work he has done as chairman of the subcommittee.

Mr. President, I arise in behalf of items in the agriculture and farm credit appropriations bill which, in my opinion, must be adjusted before this bill is finally acted upon by the Senate.

I refer Senators to page 7 of the Senate report, under the headings "Watershed Protection" and "Flood Prevention." The language in the report is as follows:

The committee recommends an appropriation of \$32 million, as proposed by the House, an increase of \$4,250,000 over the budget request, and \$9,250,000 over the appropriation for 1960. The committee recommends \$3,500,000 for investigations and planning as proposed in the budget. This action provides an additional \$1,400,000 for installation of works of improvement to be prorated proportionately between the pilot watersheds and those approved under Public Law 566.

An appropriation of \$18 million for continuing work in the 11 authorized watersheds is recommended. This is the amount of the House bill, \$3 million over the budget request, and the amount provided for fiscal 1960.

As I understand the action of the Senate committee, they have appropriated \$32 million for the watershed protection program. Only \$3,500,000 of that can be used for investigations and planning for projects under this great program.

Mr. President, I was greatly in hopes that the Senate committee would see fit to raise the construction figure to \$50 million and increase the planning funds to \$5 million. These were the figures that the Oklahoma State Soil Conservation Board urged to be appropriated on the basis of current needs. In my opinion, their request was the minimum which should be considered at this time.

Senators will note that, under the flood prevention program, the Senate committee suggests \$18 million for the continuing work in the 11 authorized watersheds. Again, I was in hopes that this amount would be increased to \$25 million. This I believe to be the minimum amount consistent with the need for getting the work on these watersheds completed, in order that the benefits accruing from them can be realized.

This program has been under construction now for 14 years, and it is time that we are finishing up the job rather than stretching it out and delaying the benefits which flow from it. Each year that we delay means the cost is greater than if we go ahead and finish the program as originally anticipated.

Let me return now to the matter of the funds for the planning parties to work on the watershed protection programs. The present planning party organization was built up over a period of several years of recruitment and training in the face of strong competition for critically scarce engineers, hydrologists, geologists, and so forth. Failure to maintain this planning group at the present level will set back the small watershed program by several years.

Applications for assistance under Public Law 566 continue to exceed the planning assistance now available. Even the current \$4.9 million of Federal planning

funds supplemented by the current \$1.1 million of State and local funds, there is a backlog of 733 unserved applications, a number one-third larger than the total of 549 that have received planning help since 1954.

In Oklahoma there are 43 applications before the State soil conservation board and 8 which have already been approved for planning, making a total of 51 projects for which planning parties will be needed this year.

Under the present rate of planning in the State of Oklahoma, we can only plan six watersheds so, at that rate, if not one single application were to be submitted, it would be 8 years before the planning could be completed. This, I think, is a fair example of what we do to this worthy program when we fail to make adequate funds available for the planning of these projects.

Therefore, I would urge the chairman of the Agriculture Subcommittee on Appropriations to accept three amendments, one increasing the funds for planning of these programs to \$5 million as a first priority, the second increasing the funds to \$44,250,000 for watershed protection, and the third increasing the flood prevention funds to \$20 million as a third priority.

I hope that the chairman may see fit to accept all three amendments.

Mr. President, I did not pull these amendment out of thin air. In the first place, the Oklahoma State Soil Conservation Board, after careful consideration of these matters, urged that I support even a larger amount for planning and construction under the watershed protection program than I am proposing.

I did, however, contact the Department of Agriculture and asked them to supply me with figures to indicate what this program should be and I shall place in the RECORD a table which shows that, as a minimum requirement, \$44,250,000 is needed for the watershed protection program and \$20 million is needed for the flood prevention program for the fiscal year 1961.

In conclusion, Mr. President, I should like to read a statement from the House report which I believe fully justifies the action I am seeking, entirely aside and apart from the recommendations of the Soil Conservation Service, or my folks in Oklahoma.

Watershed protection and flood prevention: For watershed protection, the bill carries an appropriation for 1961 of \$32 million. During the 1960 fiscal year, a total of \$32,276,964 is available for this program, including an appropriation of \$22,750,000 and a carryover of unused funds from fiscal year 1959 of \$9,526,964. The amount of \$32 million included in this bill, therefore, will make available approximately the same amount for fiscal year 1961. The amount is sufficient to restore the planning funds available in 1960 and to finance a total of 42 planning parties during the next year.

Testimony before the committee indicates that more than 1,200 communities throughout the Nation have requested help in developing watershed plans. It further shows that assistance has been authorized for about 500 of these, that some 200 plans have been approved, and that construction has started on about half of these. In view of the large number of applications still awaiting plans, and in view of the large number

of approved projects awaiting construction funds, the committee has increased the watershed protection funds above the amounts requested. In the opinion of the members of the committee, the amount of interest in this program in all areas of the country, and the urgent need for increased attention to the conservation of the soil and water resources of this country, warrant even larger amounts than those recommended in the bill.

For the flood prevention work in the 11 major watersheds authorized by the Flood Control Act of 1944, the committee has included an appropriation of \$18 million, the same as provided for fiscal year 1960.

Legislation just enacted authorizes additional works of improvement in accordance with the provisions of section 4 of the Watershed Protection and Flood Prevention Act in connection with the 11 watershed improvement programs provided for by the Flood Control Act of 1944. It also authorizes the making of loans to cover the local share of both the flood prevention and non-flood prevention features of these 11 watersheds. Therefore, language has been included to make the flood prevention appropriation available for these purposes.

As pointed out in last year's report, the work under this program has lagged far behind that envisioned when the program was initiated in 1944. It now appears that this flood prevention work, which was originally estimated to take 15 years to complete, will take 40 years or more to complete at the present rate of progress. If slowed down even more, as proposed in the 1961 budget, this time could be extended another 10 years.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. KERR. I yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I wish to join the distinguished Senator from Oklahoma in support of the amendments which he has offered. I join the chairman and the other members of the committee in expressing appreciation for the watershed program. I think it is an excellent program. It is doing a great deal of good. There is much interest in it all over the Nation.

I know that in my own State of Tennessee many watersheds are being planned, but we do not now have the necessary personnel and teams to do the planning and engineering work. The head of our Watershed Association has called me, to urge that the \$1.4 million particularly not be taken from the amount for investigation and planning.

Mr. President, I certainly join the Senator from Oklahoma in urging the chairman of the subcommittee and the Senate to restore the \$1.4 million for investigations and planning. I think the other amendments of the Senator from Oklahoma are well-founded, and should also be agreed to.

Mr. KERR. Mr. President, I am grateful to the Senator from Tennessee for those remarks and his support.

I wish to invite attention to the fact that my distinguished colleague from Oklahoma [Mr. MONRONEY] is also a sponsor of these amendments.

In further support of the amendments, and in further urging consideration of this matter by the distinguished chairman of the subcommittee, I invite attention to the fact that on February 8, in response to a letter from the senior Senator from Oklahoma, the Department of

Agriculture submitted a table of the requirements for these programs for fiscal years 1961, 1962, 1963, 1964, 1965, and 1966. In that table from the Department of Agriculture it is shown that for planning in fiscal year 1961, \$5.5 million would be required; for watershed protection, including planning for 1961, \$44,250,000, the amount asked for in my amendment, would be required; and for installations under the flood prevention program \$20 million, as asked for in the third amendment which I have offered, and which I now urge the distinguished Senator from Georgia to accept, would be required.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I asked the Senator to yield so that I might lend one extra voice to a plea for acceptance of these amendments. I can think of no programs which yield greater dividends for every dollar invested than the Soil Conservation Service program, the watershed protection program, and the flood-control program, all of which involve watershed protection and soil conservation. It is quite obvious that unless there are adequate funds for planning these great efforts cannot be undertaken in an economic and feasible manner.

The requests of the Senator from Oklahoma are modest. The watershed protection request, as I understand it, is for \$44 million instead of the committee recommendation of \$32 million. Is that correct?

Mr. KERR. \$44,250,000.

Mr. HUMPHREY. Yes. The flood protection would have an additional \$2 million, to raise the figure from \$18 million to \$20 million?

Mr. KERR. The Senator is correct.

Mr. HUMPHREY. The funds for work planning would be increased to \$4.9 million?

Mr. KERR. The Senator is correct.

Mr. HUMPHREY. I surely wish to join in support of these amendments. These are areas in which I have previously indicated, in my testimony before the subcommittee, my interest, and also the interest of the people of the State of Minnesota. I had a number of letters and resolutions, as well as personal visitations, from members of the soil conservation districts in our State, and the people who are deeply concerned about watershed protection. These people came to call upon me. I forwarded the information to the committee.

Today I merely wish to state the great support which this program has in the State of Minnesota. I know that what I am asking for now, in support of the Senator from Oklahoma, is exactly what the people of my State would expect as a prudent and reasonable program in this area of soil conservation and watershed protection.

Mr. KERR. Mr. President, I thank the distinguished Senator from Minnesota.

I have only one further thing to say, which is that no man in the Senate has done more for this program than has the Senator from Georgia [Mr. RUSSELL].

That fact is reflected in the history of the proposed legislation. It is also reflected in the status of this work in the great State of Georgia.

It was my privilege to be in Georgia a few days ago, as well as in the State of South Carolina, where we were holding some hearings for the Senate Select Committee on National Water Resources.

One of my outstanding impressions in my visit to that part of the country was the great progress of this program which had been made in the State of my great friend from Georgia. In offering this amendment I know that I am doing so in connection with a program which is as near and dear to the heart of the distinguished Senator from Georgia as it is to any Member of this body.

The PRESIDING OFFICER. The Chair inquires of the Senator from Oklahoma as to which amendment he wishes to have considered first.

Mr. RUSSELL. Mr. President, will the Chair permit me to make a statement before the Senator from Oklahoma makes his election?

The PRESIDING OFFICER. Without objection, the Senator from Georgia may proceed.

Mr. RUSSELL. I thank the distinguished Senator from Oklahoma for the remark which he last made. I am and have been greatly interested in the entire program of soil and water conservation. I know of no other program within the entire farflung scheme of our Government that carries more promise for the future of this country than these soil and water conservation projects. It is difficult to realize that within a period of some 40 years we will have twice our present population. These people will have to be fed and clothed. That food, clothing, and fiber must come from these very acres, because we are not going to create a great deal more agricultural land in this country.

I have a direct, almost selfish interest in every phase of this program. It so happens that my own State has submitted a total of 74 applications under Public Law 566. We had two projects under the old pilot program, which are embraced within this appropriation. We have 1 project in Georgia among the 11 projects under the Flood Control Act of 1944 which have been underway for many years. Rising costs have postponed the scheduled date of completion, even though we have consistently increased the appropriation.

I have tried not to be swept away completely by my intense interest in these projects, and yet I have endeavored to carry them forward. For the last 3 years we have appropriated more money than was requested by the Bureau of the Budget in all three of these areas. I do not feel authorized to accept an amendment which would cut back the allocation which was made in the committee for the planning of new projects and for the surveys. However, I can assure the distinguished Senator from Oklahoma that I will not be adamant in a conference if the House desires to insist upon its position. It was thought in the committee when the subject was discussed that we were getting these projects planned a great deal faster than

we were authorizing funds to complete them. For that reason the subcommittee voted, although not with any great determined position, to allocate more of the funds for construction rather than for planning.

For the 11 authorized projects, we are already carrying in the bill \$3 million above the budget estimates; and I do not feel that, in the light of the action of the subcommittee that I would be authorized to accept any increase in the proposed amount, but we do have a great backlog of such projects.

In an effort to confirm what the Senator has said, I would be willing, if no member of the subcommittee present in the Senate objects, to accept a \$5 million increase for Public Law 566 watershed protection item, which would give us some room to negotiate on the surveys and would provide for a very substantial increase above the budget estimates for installation of works of improvement under that program. I do not feel authorized to go beyond that limit.

Mr. KERR. Mr. President, I am grateful for the statement of the Senator from Georgia, but in light of the fact that the \$4,900,000 figure was the figure included in the House measure, would not the Senator be willing to accept that amendment and the \$5 million addition on the watershed protection provision, which in reality would not change the total amount?

Mr. RUSSELL. Mr. President, I should like to agree with my distinguished friend, but I feel that in view of what transpired in the subcommittee, I would not be authorized now to accept the cut-back in the operational funds. I have told the Senator I would be glad to consider the proposal carefully in conference, but I do not think I could accept the \$4,900,000 now for planning. I think the \$5 million additional for watershed protection work is as far as I feel justified in going.

Mr. KERR. Mr. President, I modify my amendment to conform with the suggestion of the chairman of the subcommittee as to what he would be willing to accept.

Mr. RUSSELL. The Senator from Oklahoma proposes, in his amendment No. 2, on page 11, line 10, to strike out "\$32 million" and insert "\$37 million"?

Mr. KERR. That is correct.

Mr. YOUNG of North Dakota. Would the proposed increase be exclusively for the pilot project?

Mr. RUSSELL. No; it would be for Public Law 566 and the pilot projects. We stated in the report that the fund would be distributed proportionately.

Mr. YOUNG of North Dakota. The increase, then, would go to both projects?

Mr. RUSSELL. Yes. I am frank to say the great bulk of it would go to the Public Law 566 projects, but the pilot projects would not be excluded. Is that agreeable to the distinguished member of my subcommittee?

Mr. YOUNG of North Dakota. That is satisfactory.

Mr. RUSSELL. I will accept that amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 11, line 10, it is proposed to strike out "\$32,000,000", and insert in lieu thereof "\$37,000,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I should like to direct my remarks to the attention of the Senator from Georgia in connection with the proposal on page 32 beginning at line 23, wherein it is provided:

The Federal Farm Mortgage Corporation is authorized to make such expenditures, within available funds and in accordance with law, as may be necessary to liquidate its assets: *Provided*, That funds realized from the liquidation of assets which are determined by the Board of Directors to be in excess of the requirements for expenses of liquidation shall be declared as dividends which shall be paid into the general fund of the Treasury.

As the Senator from Georgia knows, this agency is a depression-born agency and one which has not functioned since 1947. It has not made a single loan since 1947 and in 1955 it disposed of all of its remaining assets under instructions from Congress. It then sold its remaining notes to the 12 Federal land banks.

I am advised that last year its outstanding accounts were reduced to eight notes, payable annually. It collects eight checks from the Federal land banks, which is a semigovernmental agency. It receives those eight checks and turns them over to the Federal Treasury, and last year that little bit of work cost about \$5,000 or about \$600 or \$800 per check. I understand from the Senator from Georgia that the agency has advised the committee that it could probably operate with \$600 or \$800 next year, but even that is close to \$100 for the handling of each check.

Remember this is just the transfer of eight checks from one agency to another.

This agency should be abolished and gotten off the taxpayers' backs.

Why not stop appropriating money to an abandoned agency? There is a bill before the Committee on Agriculture and Forestry which would abolish the agency.

This agency, the Federal Farm Mortgage Corporation, has no authority to make any loans. Congress repealed that authority 23 years ago. Nevertheless, the agency does have authority to borrow \$2 billion in the name of the U.S. Government and to pledge the credit of the Government.

I agree that the bill to abolish the agency should be dealt with by the Committee on Agriculture and Forestry; however, I am hoping that the Senator from Georgia will accept this amendment to stop its appropriation. Its work is done; let us get it off the taxpayers' backs for good. In conference, if for some reason it were found necessary to protect the transfer of these checks temporarily, the matter could be worked out. However, I am advised that this appropriation is not needed. The eight Fed-

eral land banks can simply make their checks payable to the U.S. Treasury and mail them direct. Why have the Government pay \$75 to \$100 per check merely for transferring them? Last year it cost about \$5,000 to process these few checks. That was an average of about \$800 per check.

I am wondering whether the Senator from Georgia would accept the amendment to strike out that language of the bill dealing with this subject and thereby eliminate this appropriation. I realize that the amount involved is small, but it is the way to get this agency abolished. We cannot forget that the real danger here is that this agency has \$2 billion in borrowing authority.

Mr. RUSSELL. Mr. President, there is a great deal of merit in the Senator's position, but I would not feel authorized to accept the amendment, because I do not know exactly what effect it would have. The Senator has a bill pending in the standing committee to abolish the corporation. It would be a much more orderly procedure to handle it through the enactment of that bill. It provides for an orderly transfer to the Secretary of the Treasury of all the cash, accounts receivable, and other assets which are owned by the Farm Credit Mortgage Corporation.

I understand that the bill has been approved by the Farm Credit Administration. I understand also it has been approved by the General Accounting Office, and is not resisted by the Department of Agriculture.

The matter could be handled much more efficiently through the enactment of the bill the Senator has introduced. It would be much better to handle it in that way than by striking out the language from the pending bill.

I understand that it has cost only \$300 per year for this, and it could cause some confusion with reference to the transfer of these funds. As of December 31, 1959, there was still outstanding \$3,933,000 that was owing to this defunct Corporation from the Federal land banks.

Of course all the money belongs to the Treasury of the United States. The Senator's bill is the appropriate way in which to transfer these assets to the Department of the Treasury. I hope the Senator will not press his amendment to strike out this language in the bill, because I do not know what effect it will have.

I will be glad to join him in undertaking to pass his bill, which apparently has been drawn with great care, and which transfers all of the rights to these assets to the Treasury Department and provides for the proper handling of any suits or actions at law that may be instituted for the collection of any sums owing to the Federal Farm Mortgage Corporation. That would be a much more orderly way of handling it than by striking the item the Senator refers to from the bill. If the adoption of the Senator's amendment would result in a substantial saving, I would be glad to support the Senator. However, only a \$600 saving is involved.

Mr. WILLIAMS of Delaware. I agree with the Senator that the bill itself should be enacted. However, I point out that the agency does not have any assets other than the eight notes. Those notes are due from the Federal Land Bank. The money all belongs to the Treasury. All the Federal Land Bank will have to do is write checks payable to the Secretary of the Treasury. At least we could save \$600 if this language were stricken. Of course it is not only the amount of money that is involved. It has been my experience in the Senate that as long as we keep appropriating money to an agency, it keeps up their hopes that an emergency may arise again so that they can continue in operation. The adoption of this amendment would remove what little opposition there might be remaining, and we would finally be putting this agency to rest.

Mr. RUSSELL. I cannot agree that the adoption of the amendment would in any way remove or eliminate the powers and authority of the Farm Mortgage Corporation. The organization would still be in existence. It would be on the books, and could be revived at any time if an appropriation were enacted by Congress.

Mr. WILLIAMS of Delaware. That is true, but it would be a step toward its abolishment.

Mr. RUSSELL. The Senator's bill provides the only orderly procedure for handling the matter. In 1955 the Corporation owned papers valued at \$11,-600,000.

Mr. WILLIAMS of Delaware. But it cost \$572,000 to handle that \$11 million.

Mr. RUSSELL. I believe that is correct. However, now it has gotten to the point where it has only \$3,933,000, and is now a quiescent agency, which is costing only \$600. I believe that striking out the language would be a rather imprudent way of handling the situation. I hope the Senator will not press his amendment. He has received some favorable reports from all the Departments on his bill, and I hope the bill will soon be reported to the Senate. I am sure it will pass on the call of the calendar.

Mr. WILLIAMS of Delaware. I hope so. Nevertheless, I would still very much like to strike out the language in the pending bill. At least it would serve notice to these agencies that Congress expects them to get off the taxpayer's backs. It seems to me to be a ridiculous situation to pay a governmental agency between \$75 and \$100 for transferring a check from one Government agency to another. We could eliminate this agency and save the money.

This agency has not made a loan in 23 years. It has disposed of all its assets. Even its capital stock has been retired to the Federal Treasury. All of its assets except eight notes have been liquidated. Those eight notes represent balances due from the eight Federal Land Banks. The process for handling those checks costs \$75 to \$100 each—merely for the acceptance of those checks and turning them over to the Treasury.

Mr. RUSSELL. Unfortunately, the Senator does not know whether they can turn over those checks without this au-

thority in the bill. If we struck out the language, there might be something in the law which would prevent them from doing that. The Senator has been a most valued Member of the Senate in pursuing useless agencies. This is the first time I have seen him level his lance on a \$600 dragon. This is the smallest of all dragons in the Government's stable of dragons. He is getting very much exercised about this teenie-weenie little dragon. It is so small that he could hardly pursue it with his lance, it seems to me.

Mr. WILLIAMS of Delaware. It may be a teenie-weenie little dragon to the Senator from Georgia, but this little dragon in 1951 cost the American taxpayers \$1,128,836. In 1952, it cost \$989,-810; in 1953, \$834,731; in 1954, \$691,945; in 1955, \$572,539. Let us remember that all that now happens is that some people will be sitting around waiting for eight checks to come in. They had a few more accounts in those years but not many more.

They have this tremendous task of picking up the eight checks and forwarding them to the Secretary of the Treasury each year, when the checks could have been sent direct. Certainly, it should not cost \$75 to \$100 to handle each check.

Why keep an agency with a \$2 billion borrowing authority alive with this \$600 appropriation?

Mr. RUSSELL. I understand the \$600 is used to pay a small part of the salary of someone who handles the machinery in the processing of these checks. I do not want these checks stopped. It may have cost a great deal of money in the years to which the Senator has referred.

It would be just as logical to say that because a war was carried on at a cost of \$200 billion a year, therefore the Department of Defense ought to be abolished. That is about as sensible as the argument the Senator makes.

Mr. WILLIAMS of Delaware. No. When the war has ended, a peace treaty is signed. But when the service of an agency is no longer needed it is kept alive 20 years by these token appropriations.

Mr. RUSSELL. The Senator does not know whether checks could be issued under existing law. He is trying to use this bill to propagandize his bill in the standing Committee on Agriculture and Forestry. He has all the reports. I am sure that if he would attend the meeting of that committee, of which he is one of the most distinguished members—no; I believe he left that committee a short time ago to become a member of the Committee on Foreign Relations—if he would go before the Committee on Agriculture and Forestry, I am certain they would report the bill. That is the orderly way to proceed.

The Senator from Delaware did not come before our committee, where we could investigate and determine the effect of striking the language from the bill. Without having some knowledge of what the effect of striking the language would be, I could not accept the amendment.

Mr. WILLIAMS of Delaware. It is not simply the fact that we can save \$600 next year. They did spend about \$5,000 last year. This subject will still be in conference if we adopt the amendment. I have been advised that the adoption of this amendment would not handicap the Government in any way.

We should not lose sight of the fact that we are keeping alive an agency which has authority to borrow \$2 billion and to pledge the credit of the United States in repayment thereof. That is a lot of authority to allow to lie around loosely and idly; and to continue to appropriate \$600 or \$800 to this abandoned agency only serves to keep it alive.

If this amendment is approved, the conferees could work out any language they thought appropriate to accomplish the purpose. I think it is time that we served notice on these agencies that when their useful life has been ended we expect them to be abolished.

Mr. President, I submit the amendment. I hope the Senator from Georgia will take the amendment to conference.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 32, beginning with line 23, it is proposed to strike out all the language to and including line 6, page 33.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was rejected.

Mr. FREAR. Mr. President, I should like to ask a few questions of the chairman of the Subcommittee on Agricultural Appropriations. First, I should state that perhaps my questions may not be in conformity with the bill itself, but they will be in conformity with an operation of the Department of Agriculture.

The first question is: Is there any amount of money provided in the bill for the administration of Federal milk marketing orders?

Mr. RUSSELL. There is the sum of approximately \$300,000 under the Agricultural Marketing Service for the administration and policing of milk marketing orders.

Mr. FREAR. Is that by way of direct appropriation or by way of assessment?

Mr. RUSSELL. I am not too certain about that; we have not considered the matter of milk orders for some time.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AIKEN. I think there must be an appropriation for the maintenance of the Washington office. However, the marketing area expenses, I am sure, are paid by assessments on the farmers who ship milk into the areas. That is true of Boston and New York and of other cities with which I am familiar, and I believe it to be true of all of them. There is a deduction of a certain amount per hundred pounds—2, 2½, or 3 cents.

Mr. RUSSELL. About \$300,000 is provided for general administration; and that is for the activity in the Washington office. However, the direct cost of the supervision of the milk orders is, as the Senator from Vermont states, supported by something in the nature of a tax.

Mr. FREAR. I shall ask questions along that line in a moment.

Mr. AIKEN. I am trying to be helpful to the Senator from Delaware.

Mr. FREAR. I know the Senator is. I will let him be helpful in a little while. However, he is getting me out of line.

If the \$300,000 was not appropriated, what would happen to the administration of the local milk marketing areas?

Mr. RUSSELL. Very frankly, I cannot answer the Senator.

Mr. FREAR. Then I shall ask the Senator from Vermont to answer, if the Senator from Georgia will permit him to do so.

Mr. AIKEN. I think that when there is any program requiring any Federal supervision at all, there must be a Federal appropriation for it. In the case of milk marketing orders, the Secretary is required to find a fair minimum price, and to fix the minimum price for each order area. However, the expenses of the area itself are taken care of by a deduction from the price of the milk which the farmer receives. In my own area, I believe it is probably two or three cents a hundred pounds, though I am not certain of that. However, that will pay the local administrator and his assistants, and will pay the cost of the salaries of clerks, secretaries, and so forth; in that area. The farmer himself pays that amount.

Mr. FREAR. I am certain the Senator from Vermont can answer the question I asked. What would happen to the administration of the milk orders, at the local level, if the \$300,000 were not appropriated to the central office?

Mr. AIKEN. I am not sure. What would happen if there was no amount of any kind appropriated for the maintenance of the White House?

Mr. RUSSELL. I have been thinking over the matter since the Senator asked his question. I do not believe it would have any direct application, but it would prevent the formulation of any new marketing orders.

Mr. AIKEN. I never contemplated any such horrible thought as apparently runs through the mind of the distinguished junior Senator from Delaware. If he is inclined to take away the \$300,000 which maintains an orderly marketing system for some fifty percent of all the milk production in the United States, I simply would not want to contemplate such a situation.

Mr. FREAR. Anyhow, it is reasonable to assume that if the \$300,000 were not appropriated, the Department of Agriculture, in its central office in Washington, could no longer render assistance in the administration, at the local level, of the Federal milk-marketing orders in the local areas, could it?

Mr. RUSSELL. I am inclined to believe that they would not be able to lend any assistance. Certainly they could not formulate any new marketing orders or to embrace any new areas. It has been a long time since the passage of the bill providing for marketing orders. I doubt very much that the refusal to appropriate \$300,000 would completely close the local administration of the milk-marketing orders.

Mr. FREAR. The most charitable thing I could say to the Senator from Vermont, and the most horrible thing I could think about the Senator from Delaware, is that he did not propose this a year ago, before the Order No. 127 went into effect.

Mr. AIKEN. The Dairy Division of the U.S. Department of Agriculture has other functions besides the administering of milk-marketing orders. I think practically the entire cost of the administration of the milk-marketing orders is borne by the farmers themselves. However, the Dairy Division has many other things to attend to.

Mr. FREAR. I believe the Senator from Vermont said that the entire cost of the administration of the area in which the milk-marketing order is issued by the Department of Agriculture is borne by the producers of that area.

Mr. AIKEN. I believe that practically all of the cost is borne by the producers.

Mr. FREAR. Where does the other money come from?

Mr. AIKEN. What other money?

Mr. FREAR. If all the cost is not borne by the producers, where does the remainder of it come from?

Mr. AIKEN. The Dairy Division of the Department of Agriculture existed long before the orders for the marketing of milk. The Dairy Division has the oversight of the dairy industry of the United States, just as there is a division for the oversight of cotton, grain, foreign agriculture, and so on.

Mr. FREAR. Then it comes from the Department of Agriculture, through an appropriation? Is that correct?

Mr. AIKEN. Undoubtedly it costs a little money to maintain the Dairy Division; and it may cost a few thousand dollars more because it has oversight of the dairy marketing areas. I would not be surprised to find that was so. But what part of the \$300,000 is used for that purpose, I am unable to say.

Mr. FREAR. Do any of the funds which are used to pay the cost of administration for a local area, in connection with a milk-marketing order, come from the handlers?

Mr. AIKEN. The funds come from the farmers, the producers. I think the funds come indirectly; the deductions are made from the checks which go to the farmers, and are paid to the district area offices.

Mr. FREAR. Is it not a fact that when a Federal milk-marketing order is issued and is put into execution, demand is made on the handler or the distributor to pay whatever percentage per hundredweight is authorized by the order; and that is collected from the producer?

Mr. AIKEN. I think so. In the marketing areas with which I am familiar, the distributors themselves vote on the question of whether to have a milk-marketing order or not; and thus far it seems to have worked out fairly well for them.

Mr. FREAR. I am glad the Senator from Vermont has made that point, because I had it in mind, too.

Just how is a Federal milk-marketing order established?

Mr. AIKEN. A petition is made to the Department of Agriculture.

Mr. FREAR. By whom?

Mr. AIKEN. By the farmers of the area.

Then the Department of Agriculture, if it finally approves the formula which is set forth, submits it to the vote of the farmers. In my area, if two-thirds of the farmers vote for the marketing order, it goes into effect.

It so happens that in my area some 90-odd percent of them do vote for the marketing order. In fact, I think almost 100 percent of them vote for it. There may be a few who do not.

Then, since it has been approved by the farmers of the area, it goes into effect.

I understand that in some places a 75 percent affirmative vote is required.

I am sure the Senator from Delaware now has further questions.

Mr. FREAR. Yes, I have several.

Then, apparently the Federal milk-marketing orders are not established in the same way in all areas; that is to say, in Vermont, such an order can be established by the affirmative votes of two-thirds of the farmers; but in another area, the affirmative votes of 75 percent of the farmers may be required; and it is conceivable that in another area the affirmative votes of 100 percent of the farmers would be required.

Mr. AIKEN. If they so voted beforehand, yes.

Mr. FREAR. But the provision would have to be included in the order before it could be put into execution, would it not?

Mr. AIKEN. A two-thirds favorable vote is required, I believe, in all the New England marketing areas. A 75-percent affirmative vote may be required in some other areas; I am not sure.

Mr. FREAR. So there is no uniformity about it; is that correct?

Mr. AIKEN. I do not know that it is uniform throughout the country.

Mr. RUSSELL. Mr. President, I can cast a little light on that point. There are two types of orders. One is the marketing type of order; it requires a two-thirds favorable vote of those who participate in the referendum. The other type is a handler order. It requires a three-fourths favorable vote by the handlers.

I am not too familiar with this matter, because in my State we have a State law which deals with the subject. We have no Federal milk marketing orders in the dairy industry there.

Mr. FREAR. Again I say I think the State of Georgia is extremely wise in that respect and has used very good judgment. I think State control is much superior to the Federal control which is had in the States which have Federal milk marketing orders. Under State control, the respective areas have the right to determine for themselves.

Mr. AIKEN. From 85 to 90 percent of the milk produced in Vermont is marketed outside of Vermont.

Mr. FREAR. Did I correctly understand the Senator from Vermont to say that in the area which serves Vermont

approximately 90 percent of the producers voted in favor of the order?

Mr. AIKEN. No other areas serve Vermont. Instead, Vermont serves other areas. Vermont exports almost 90 percent of the milk which is produced in Vermont. It is exported to Boston, Hartford, southeastern New England, Haverhill, Lawrence, and New York City areas.

Mr. FREAR. Did the Vermont producers vote on the question of whether they wanted to have a Federal milk-marketing order or not?

Mr. AIKEN. That is true, I think; nearly 100 percent of them—certainly more than 90 percent of them—voted for it.

Mr. FREAR. Then I correctly understood the Senator from Vermont. I know he has a fine background on this matter, on which I should like to be educated.

May I have the permission of the Senator from Georgia to continue a short time for that purpose?

Mr. RUSSELL. Indeed, so. As chairman of the subcommittee, I regret that for the first time I find myself with an almost complete lack of information on these milk-marketing orders. I do not think the question has been brought up during the 24 years I have presided over the subcommittee. No questions in regard to the Federal milk-marketing orders have been presented during that time. Of course, the legislation for them is handled in the Committee on Agriculture and Forestry, and thereafter is handled in the milksheds. So I am not too familiar with the matter.

Mr. FREAR. If the farmers in Vermont and whatever other area was covered by the milk-marketing order had voted 50 percent in favor of the establishment of a milk-marketing order and 50 percent against its establishment, would a milk-marketing order have been issued?

Mr. AIKEN. No.

Mr. FREAR. Then did the producers themselves decide that they wanted to have a milk-marketing order issued?

Mr. AIKEN. Both the producers and the distributors did. I do not know the latest formula; but I am sure that both the producers and the distributors participate.

Mr. FREAR. In other words, each producer had one vote and each distributor had one vote; is that correct?

Mr. AIKEN. I do not know how the distributors vote. But each producer has one vote.

Mr. FREAR. Would a two-thirds affirmative vote or a three-fourths affirmative vote be required? Just now I understood the Senator from Georgia to say that in order to have a producer order, a two-thirds affirmative vote would be required. And in order to have a distributor or handlers order, a three-fourths affirmative vote would be required; is that correct?

Mr. AIKEN. The latter is a different kind of order.

It so happens that in the Boston area, which is the largest market, both the producers and the handlers participate.

Mr. FREAR. So a producer can vote in either one of them—either in the one in which a three-fourths affirmative vote

is required or in the one in which a two-thirds affirmative vote is required; is that correct?

Mr. AIKEN. Well, a producer could not vote in connection with the setting up of an order on a distributor basis.

Mr. FREAR. Yes. But a producer could vote in connection with either a producer order or a distributor order, could he not?

Mr. AIKEN. If the formula so provides.

Mr. FREAR. Who provides the formula?

Mr. AIKEN. The formula was approved originally in Boston in 1937. That was when milk was bringing \$1 a hundred pounds, which is a very low price for it—2 cents a quart. The distributors did not like the order at the time; but it was put into effect, for the producers had to have something. The Department of Agriculture, under Secretary Wallace, approved it.

At that time, I was Governor of Vermont, and I approved it, and it worked out well. Then the price of milk began to reach a reasonable level.

At first, the distributors opposed it; but after a while they found that it stabilized their business, too; and in the last 20 years there has been no opposition from distributors, so far as I know.

Mr. FREAR. I think that was quite commendable, for certainly at that time the farmers were not being overpaid for the milk they produced; neither do I think they are overpaid today.

Mr. AIKEN. No, they are not.

Mr. FREAR. However, I am trying to obtain the answers to some of my questions.

My next question is as follows: If an order, however formulated, required the affirmative votes of two-thirds of the producers, in order to put the Federal milk-marketing order into effect, but if the affirmative votes constituted less than two-thirds of the total number of votes, such an order would not be issued, would it?

Mr. AIKEN. That is correct. In other words, if 34 percent opposed the issuance of the order, it would not go into effect.

Mr. FREAR. Thirty-four percent?

Mr. AIKEN. Yes, a little more than one-third.

Mr. FREAR. Yes.

Are there marketing cooperatives in that area?

Mr. AIKEN. Almost every dairy farmer in Vermont belongs to a marketing cooperative.

Mr. FREAR. How did the marketing cooperative count the votes of its producer members when they voted on the question of the issuance of a Federal milk-marketing order?

Mr. AIKEN. They voted en bloc. That is why the dairy farmers joined the cooperative—so their votes would count, and so they could get out of the difficulties they were in.

I would say that 98 percent of all the milk going out of Vermont to other States is shipped by cooperatives—and probably more than that, probably 99.9 percent. But I wish to be conservative in my statement.

Mr. FREAR. The Senator from Vermont is always conservative, and certainly I would not question his statement.

Mr. AIKEN. I am not always called too conservative.

Mr. FREAR. Well, I have read something of that sort, too; but I do not always agree with what I read.

In voting on the question of whether such an order shall be issued, they vote as a bloc, do they not? If there were 300 producers in one cooperative, and if a majority of them voted in favor of the issuance of the order, all 300 votes would be recorded in the affirmative, I assume.

Mr. AIKEN. That is correct.

Mr. FREAR. If 149 producers voted in the negative and 151 farmers voted in the affirmative, then all 300 votes would be cast by the cooperative in the affirmative; is that correct?

Mr. AIKEN. Yes, but that is not the whole story. If the 1949 felt differently, they would not belong to the cooperative. There is no requirement to join in a cooperative. The reason why they do so is so they can vote together and work together, and pool their products, and ship their products together, and thus save their industry.

The Senator is right. If 151 voted for the marketing order and 149 voted against it, I think there would be 300 votes cast for it; but that cooperative would not last overnight if it was that evenly divided.

Mr. FREAR. I recognize that the people of New England and that area are a bit different, perhaps, from people in other regions of the Nation.

Mr. AIKEN. Not so much.

Mr. FREAR. I think they have many qualities that are very beneficial to this country, and we count on them for a lot of things to keep our country stabilized. They are pretty sound people, and I recognize it.

Mr. AIKEN. Almost all of them are.

Mr. FREAR. And the Senator is a fine representative of those people.

The Senator may have thought the question I asked was a hypothetical question.

Mr. AIKEN. No.

Mr. FREAR. The Chesapeake Bay marketing order went into effect 2 months ago, and is known as Order No. 127. To make that order become effective, a cooperative voted as has been stated. It voted for the entire membership in the affirmative. I do not know the figures exactly, although from a pretty official source we have had it told to us that approximately 40 percent of the producers voted against it and 60 percent of the producers voted for it. But it was voted 100 percent. Assuming there were 1,200 members of the cooperative, to use a round number, 1,200 producers were voted in favor of a marketing order by the Federal Government. Outside of this one cooperative, whose concentration of delivery is in the city of Baltimore, Md., there are other producers in the area circumscribed by the order, who are not members of the cooperative. Those producers had the right to vote and did exercise the right to vote. They voted in the majority against the marketing order. So when

the number of votes against, on the outside, were added to those who voted against in the cooperative, those voting against the order amounted to more than 50 percent of the total.

Mr. AIKEN. The solution to that problem, of course, is that no one has to belong to the cooperative; and if they do not belong to the cooperative they cast their own votes as individuals rather than en bloc. They have to weigh one value against the other.

Mr. FREAR. Then the Senator would want to penalize a producer member of the cooperative by having him get out of the cooperative to get his vote counted as he voted.

Mr. AIKEN. Oh, no.

Mr. FREAR. Because he wants the advantage of belonging to a co-op, he joins, but, in order to get his vote counted, he would have to get out of the co-op.

Mr. AIKEN. No. The majority rules in a co-op, as it does in a town meeting, or in the Senate. The Senator from Delaware would not want to get out of the Senate just because he had lost a couple of votes.

Mr. FREAR. I have lost a few.

Mr. AIKEN. But the Senator is still here, and very likely, he will continue to be here for a long time.

Mr. FREAR. But I would not be here if a majority of the people of my State did not want me to come back again. I hope they do not feel that way.

Here is a situation in which a man who voted in the negative had his vote counted in the affirmative for something he did not want. That is why the milk order was put into effect, because the total vote of the cooperative was counted in favor.

Does the Senator from Vermont agree with that type of operation or voting?

Mr. AIKEN. Do I agree with majority rule in a cooperative? Yes.

Mr. FREAR. If the majority votes a certain way, the entire membership can cast all of their votes in the affirmative?

Mr. AIKEN. Yes; I would say that would be representative of the views of the cooperative members as such.

Mr. FREAR. I think, if that was the only co-op voting, I could agree with the Senator; but when they were put on the defensive—or on the offensive in this case—against those who were voting individually on the outside, it seems it was a bit unfair.

Mr. AIKEN. If I had not gone through this some 25 years ago, perhaps I would feel differently about it, but I vividly recall the time when dealers who wanted to come into my State, which had half of the producers in New England, would say, "We will give you an extra price if you do not do so and so, which will help the rest of the farmers." They worked it pretty well for a long time, until milk was worth but 1 to 2 cents a quart. They carried it too far, and they forced the farmers to get together in their cooperatives. They have been in them ever since. As I said, about 99 percent of the milk that is shipped out is shipped by the cooperatives, and the voting on the marketing orders is voted on by cooperatives today.

Mr. FREAR. The Senator has been diligent in answering my questions, and he has been quite persuasive, but not quite enough. I wish to ask a question or two. I would not want to impose too much on the time of the Senate, because it wants to vote on the bill, and my colleague has something to say that is perhaps more important than this.

The Senator is familiar with classification of milk under milk marketing orders, is he not?

Mr. AIKEN. I am. There are classes 1 and 2.

Mr. FREAR. Class I and class II.

Mr. AIKEN. And in some cases there is a class C.

Mr. FREAR. What are the classes?

Mr. AIKEN. They are class I and class II. Class I is the milk which is sold for family consumption and to restaurants. It is sold as fluid milk. Class II represents the surplus, which is more than can be sold for direct human consumption in the form of fluid milk. That is called class II. It goes into powdered milk and cheese and into butter and powder.

In New England, I do not think they break even on class II milk. Nevertheless, for a dealer to be sure of enough milk to meet his trade on weekends and holidays, he has to have about 20 percent more milk than he needs, on the average—at least 20 percent of class II milk—in order to meet the demand, day in and day out.

Formerly there were dealers who would go to certain farmers and say, "We will take your milk. We will pay you this price, which we can afford to pay, because we will sell all of your milk for household use, and you will not have to take any of the loss on the surplus milk that is produced in the area."

They worked that fine for a while, by paying the best of the farmers a fair price, and paying all the rest of the farmers a low price. They were carrying all of the class II milk. However, after the farmers got together and organized cooperatives, all of the farmers got more than the best paid farmers had previously gotten for the fluid milk. All of the farmers then got a uniform minimum price, and they all had to bear their share of the surplus production of the area. It worked out very well.

After we got away from that \$1 a hundredweight milk, or \$1¼ a hundredweight milk, which was the price in 1937, the price gradually went up. It is not high enough today. The price of milk has not gone up anywhere near in proportion to costs of production. However, the price is definitely better than it would have been if the farmers had not organized, because otherwise they would all be getting a much lower price.

Mr. FREAR. I do not want the Senator from Vermont to get the idea that I am not in favor of producers joining together to obtain better prices for milk.

Mr. AIKEN. I know the Senator favors that.

Mr. FREAR. I am leading up to another question.

Mr. AIKEN. The Senator simply has in his State a higher percentage of farmers who have sales for class I milk

than I have in my State. That makes for a difference of opinion.

Mr. FREAR. It is a fact that some States have more surplus milk than other States. There is no question about that.

Mr. AIKEN. Not for the same reason, however.

Mr. FREAR. It is also true that any producer is a pretty good producer if he can keep his flow of milk even for 365 days a year.

Mr. AIKEN. He cannot.

Mr. FREAR. And no distributor can keep his sales on a level for 365 days a year.

Mr. AIKEN. Neither can the farmer.

Mr. FREAR. There has to be some fluctuation, both in regard to production and distribution. I recognize that there has to be some tie-in to take care of the ups and downs on either side.

The Senator has told me that the class I milk is the fluid milk for human daily consumption. The class II milk is the surplus, and the class III milk has some other distinction.

Mr. AIKEN. In the marketing order areas the class 2 milk is usually of the same quality as the class I milk, only it is in a supply which is more than is needed on a particular day for fluid milk consumption.

Mr. FREAR. As a matter of fact, if the fellow is on a blended price, two-thirds of a can of milk would be class I milk and one-third of it would be the class II milk. I can recognize that. There is no difference in the milk.

Mr. AIKEN. Not in the marketing order areas. Where there is no marketing order area there could be a difference in the milk.

Mr. FREAR. Does the Senator mean that cannot happen?

Mr. AIKEN. In practically all of the areas the milk is subject to board of health requirements. There are certain sanitary requirements.

Mr. FREAR. I do not think the Senator quite understood me.

Mr. AIKEN. I think so.

Mr. FREAR. So far as the sanitary requirements are concerned, if the butterfat content is correct and the bacteria count is low enough and the temperature below a certain degree, the milk will come to the producer or the handler and will be class I or class A or whatever it may be called. That producer will have two-thirds of the sales in fluid milk and one-third of the sales in by products.

Mr. AIKEN. It is all of the same quality.

Mr. FREAR. Every can of milk that producer receives is class I milk.

Mr. AIKEN. It could qualify as class I milk, but if it is not all sold for fluid milk consumption the part which is left over in any area is the class II milk.

Mr. FREAR. We are basing this discussion upon the quality.

Mr. AIKEN. The class II designation does not change the quality.

Mr. FREAR. It does not make any difference whether it is the top half of the milk or the lower half.

Mr. AIKEN. That is correct.

Mr. FREAR. Does the Senator know of any class II milk which is purchased for the class II established price in a Federal milk marketing area and which is sold for fluid milk, without there being considered the blend price which is paid to the producer?

Mr. AIKEN. Oh, yes. That used to be done quite often. The class II milk was taken from one area into another market and sold as class I milk. That way the price received would be \$6 a hundredweight instead of \$3 a hundredweight.

Mr. FREAR. Very well.

Mr. AIKEN. That was done rather extensively in New England. The farmers were losing \$1.5 million or \$2 million a year as a result of that practice, so they petitioned to have the area to which the class II milk was being transported and sold for class I milk included in the larger marketing area. That was voted. Now the farmers really get a better price; and the distributors, I suppose, are doing very well, but not making their earnings quite so easily as they were before.

Mr. FREAR. Let us forget about the distributors and assume they are on a par.

Mr. AIKEN. We cannot forget them.

Mr. FREAR. Yes, we can.

Mr. AIKEN. Oh, no.

Mr. FREAR. If the producer is in a class I area and if he has a surplus and he sells it as class II milk, and it goes to another area as class II milk and is sold in that area as class I milk, at a much higher price—

Mr. AIKEN. That is a common practice, where it can be done.

Mr. FREAR. Then how would that producer be paid?

Mr. AIKEN. He would be paid the class I milk price for the overall production of the class I milk, but he would be paid the class II milk price for that which the distributor takes into another market, which he sells at the class I milk or which is used for manufacturing purposes.

Mr. FREAR. •Very well. I do not agree with all of that, but let us assume that is correct.

Mr. AIKEN. It is a fact. I can prove every word of it.

Mr. FREAR. Oh, no.

Mr. AIKEN. Yes, I can.

Mr. FREAR. No. I will contest with the Senator on that, because I can give examples.

Mr. AIKEN. I have particular areas in mind, where that has been done extensively.

Mr. FREAR. I agree with regard to the practice, as to what the Senator said has been done. I agree with that.

Mr. AIKEN. Of course, I do not know whether it is being done in Delaware, in Maryland, or in the Baltimore area.

Mr. FREAR. If a producer is in an area where the blended price is 95 percent class I, and that area is a class I area because of increased consumption of fluid milk in that area, the producer would get the advantage of the difference between two-thirds and 95 percent in that instance, would he not?

Mr. AIKEN. Well, if he sends the milk to market and two-thirds of it is sold as class I milk, we will say at \$6 a hundredweight, he will get \$6 a hundredweight for two-thirds of the milk. The other one-third will be the class 2 milk. He may get \$3 a hundredweight for the other one-third of the milk.

Mr. FREAR. That is correct.

Mr. AIKEN. The blend price would be the composite price as between \$6 and \$3. It would come out about \$4.50 or \$5 per hundredweight.

Mr. FREAR. Four dollars and fifty cents?

Mr. AIKEN. Four dollars and fifty cents or five dollars a hundredweight.

Mr. FREAR. That is correct. If the producer is getting \$4.50 or \$5 per hundredweight on that basis and the distributor makes the area a 95 percent class I market, what would the producer get?

Mr. AIKEN. Well, if the distributor sells the milk as fluid milk in that marketing area—

Mr. FREAR. He has to, if it is class 1.

Mr. AIKEN. Then he would have to pay the fluid milk price for what is sold as fluid milk. If he can ship to another market—

Mr. FREAR. That is not the question.

Mr. AIKEN. Then he can get the higher price. The farmer would not get that.

Mr. FREAR. That is not an answer to the question. That is not a solution to the problem. If the distributor makes the area a 95 percent class 1 market, he will have to pay the producer 95 percent class 1 prices, will he not?

Mr. AIKEN. I never heard of a distributor paying 95 percent class 1 price for class II milk. He will pay for about 50 percent of it as class 1.

Mr. FREAR. Again I have a question for the Senator from Vermont. I can show to the Senator that there are distributors who do that.

Mr. AIKEN. If any area can get 95 percent of the class 1 price for the class 2 milk, it is a very fortunate area, I would add.

Mr. FREAR. I agree. There is an area like that. What the Federal milk marketing order is doing now is cutting down the price. The producers in the area, instead of getting 95 percent class I prices, are assessed so that they have to put the milk in a pool, so that the farmer in another area is going to benefit and the producer in the particular area is going to have the money taken from him.

Mr. AIKEN. It would all depend upon whether the 95 percent class I price which is received for the class II milk amounts to more than what the farmer and all of his neighbors would get if they cooperated and all of them went under an order.

Mr. FREAR. Well, there is an area laid out. It comprises two counties.

Mr. AIKEN. Yes.

Mr. FREAR. As a matter of fact, we can take the whole peninsula.

Mr. AIKEN. I am not questioning the situation set forth by the Senator from Delaware. It is entirely possible, be-

cause before we got the marketing order in New England we had certain distributors who would favor certain groups of producers, but the result was that the distributors kept down the prices for all producers, with the possible exception of those few.

They were used as a lever, and they would pay a high price when production was short. They would go out and steal each other's producers. But when the surplus season arrived, they would drop all the producers down to the bottom.

Mr. FREAR. Yes. I believe also there were people who used to put rotten apples in a basket.

Mr. AIKEN. I have seen that happen.

Mr. FREAR. The Senator from Delaware has observed that the people of Vermont do not do that any more.

I will not admit that they ever did.

Mr. AIKEN. They are much better off now than they used to be.

Mr. FREAR. Yes. And that is due in no small part to the efforts of the Senator from Vermont. I will say that for him.

In response to an inquiry addressed to the Secretary of the Department of Agriculture, Mr. Clarence L. Miller, Assistant Secretary, in explanation of the background of the Federal marketing program in Upper Chesapeake Bay, Order No. 127, stated in part:

Since the minimum prices which all handlers must pay are equal in each use, no handler is placed at a competitive disadvantage with respect to his sales of milk within the regulated marketing area.

I will take that for granted. He goes on:

The other major facet of the order program is the equal sharing among farmers of returns from sale of milk. In this way, all farmers have an equal share in the Class I market and also assume an equal share in any surplus delivered to the market. This method of sharing returns is an important stabilizing influence, for it removes the necessity for farmers to undercut each other in an attempt to retain an equitable share of the Class I market.

This equal sharing of returns is carried out through a so-called equalization fund. Handlers use different proportions of their receipts of milk as Class I and Class II. Hence, the utilization prices of individual handlers will vary from the marketwide average price. The attainment of uniform returns to all producers, therefore, requires that those handlers whose utilization price is higher than the market average uniform price pay the difference between such uniform price and their own particular utilization price into the equalization fund, and those handlers whose utilization price is lower than the market uniform price draw money out of the fund.

That statement struck me as a little curious, because it has not been too long ago when this administration was talking about some type of social order. To me that is taking money from a producer in one area and putting it in a pool so that a producer in another area can draw it out. To me that is economic equalization. Does the Senator from Vermont agree or disagree?

Mr. AIKEN. I will say that Mr. Miller is correct when he says each producer is required to carry his share of

the surplus production of that area. He is not quite correct when he states they all get the same price for the milk, because under the Federal marketing order the Secretary fixes a minimum price for the milk. Conditions may be different in the Baltimore market from what they are in the Boston market or other markets. Distributors in the New England markets frequently pay premiums, and some of them pay premiums at certain times of the year which run up to 60 or 80 cents a hundred pounds. Others will pay a premium only a few cents per 100 pounds above the minimum price fixed by the Secretary under the marketing agreement. For example, for milk in bulk tanks, most of the companies up to now has given about 15 cents per 100-pound premium for the milk above the price paid for milk shipped in cans. So there is nothing in the marketing order which would prevent any distributor from continuing to pay a higher price to special producers if he saw fit. But they will have to carry their share of this surplus, and that will be based on the average price.

Mr. FREAR. I have a great deal of respect for Mr. Miller, but I have a little more respect for the Senator from Vermont because I think he knows a little more about what he is talking about.

Mr. AIKEN. I have seen people in the milk business for 40 years who have not learned all there is to know about the business. I have seen them get tripped up after spending all their lives in the business by someone who had outfoxed them. It is one of the most competitive businesses on the face of the globe.

Mr. FREAR. Yes. I believe the Senator is looking at one right now. There are a number of small producers and small handlers in our State. In my opinion, if some large distributors on the other side of the bay wished to take another area into their distribution system, they might use the milk order as a means of forcing those handlers and producers under a milk order, and the only result would be to put the small handlers out of business, and then the small producer would be at the mercy of the large operator.

Mr. AIKEN. Frankly, I do not know what the formula for the Baltimore marketing area is. I believe the situation on the Eastern Shore is undoubtedly as described by the Senator from Delaware, and if it is—and I expect it is—I would be doing exactly what he is doing here. I recall that 20 or 25 years ago in New England there were 18 auctions of dairies in 1 town in 1 week; small dairies going out of business. The milk producers just had to get together.

Mr. FREAR. I believe the producers have every right to get together in order to market their milk, and I believe the distributors have a right to have a fair margin of profit. But the ones I am most interested in are the producers of milk. I am frank to admit that. I do not wish to see the producers of milk in Delaware compelled to market 95 percent of their class I milk in the 66⅔-percent class. That is the whole object of the proposal.

I think the Senator from Vermont has taken care of his constituents in Vermont, and I know they are grateful to him for it. The senior Senator from Delaware and I wish to do a little something for our constituents in Delaware. I apologize to the Senator from Georgia and the Senator from Vermont for utilizing so much time, but I am grateful to both of them.

Mr. AIKEN. Mr. President, the people of Delaware are fortunate to have such able Senators as the senior and junior Senators from Delaware.

Mr. RUSSELL. The Senator from Delaware need not apologize to me. I expect Senators to represent their constituency with the same feeling and determination which the Senator from Delaware always displays. Again may I say that I discussed this subject at an earlier date with the senior Senator from Delaware, and I can say that the farmers of Delaware are mighty lucky they have representing them the two Senators who are presently with us.

Mr. WILLIAMS of Delaware. Mr. President, on behalf of the Senator from Illinois [Mr. DIRKSEN] and myself I send to the desk an amendment and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware on behalf of himself and the Senator from Illinois will be stated.

The CHIEF CLERK. It is proposed on page 14, lines 1 and 2, to strike out "\$250,000,000" and to insert in lieu thereof "\$100,000,000."

Mr. WILLIAMS of Delaware. Mr. President, the budget request for this particular item, which is for the ACP payments, is only \$100 million. The testimony of the representatives of the Department of Agriculture clearly states that all that they are requesting or all that they think they need is \$100 million. I talked with officials of the American Farm Bureau, and they recommended that this item be reduced to \$100 million; and they stated emphatically in the testimony before the committee that they thought the money could better be used elsewhere so far as the American farmer was concerned.

The purpose of this appropriation is to finance a portion of the cost of lime and other types of fertilizers for farmers. The Government pays about half of the cost under certain conditions.

Thus we have a situation in which we are spending \$4 billion to \$5 billion a year to support the prices for American agriculture. We have about \$9 billion worth of agricultural commodities on hand, and in the proposed legislation we would be giving \$250 million presumably to enable the farmers produce more surplus. The proposal is to give free fertilizer to produce more crops at the expense of the American taxpayer. This is a ridiculous contradiction. There may have been a use for these programs in the past, but I do not think they are needed at a time when we have more agriculture crops than we need.

There are many other features of the bill which deal with soil conservation that can be justified, but I think this is one item which can well be returned to

the budget request, thereby saving \$150 million. I know the Senator from Georgia will agree that we cannot reduce the amount of the appropriation this year. This is an item under which we appropriate one year in advance. Last year we had a similar debate in an attempt to cut the figure back, and we lost. Congress last year insisted upon the \$250 million figure. As a result we are appropriating in this bill \$242 million to pay last year's commitments.

I agree fully with those other Members of the Senate who say it will be unrealistic to try this year to cut the \$242 million figure, although I did try to cut it last year. Last year when we rejected an amendment similar to the one which is now being offered, we in effect instructed the Department of Agriculture to make these contracts with the American farmers to the extent of \$250 million annually. Once they are made they must be paid. We have no alternative.

By the same token if we reject the amendment today we will automatically increase the expenditures in the next fiscal year by \$150 million over and above the amount which is recommended by the Bureau of the Budget. I repeat that the Department of Agriculture, the American Farm Bureau, and many other farm organizations have endorsed this reduction.

I do not for 1 minute question the sincerity of the Senators who are opposing the amendment—they believe in the program—but it is significant that the strongest supporter for the \$250 million in the bill is the National Agricultural Limestone Institute. As a matter of fact, they favor raising the amount to \$500 million, which would be an increase to five times more than the request of the Bureau of the Budget. The membership of this institute sells most of the lime under this program. It maintains a Washington representative, Robert M. Koch, as a lobbyist. It realizes, of course, that its best customer is the U.S. Government and that all they have to do is to have the appropriations increased in order to sell more lime. All they have to do is sit back and sell the lime to the U.S. Government. In an effort to get larger appropriations they circulate millions of copies of letters throughout the various States calling the direct attention of the farmers as to how Members of the Senate voted on this appropriation. They pointed out in their letters how disastrous it would have been if the appropriation had been cut even a little bit.

Disastrous for whom? Disastrous for the organization which is selling the lime to the Government. Mr. Koch sent this letter over his signature as president of the organization throughout the country. Certainly I do not question his sincerity, because he has a nice thing, living in Washington as a lobbyist and getting an appropriation out of the Government under which the Government will buy his lime. All he has to do is sit back and let the Government pay for it.

I have before me what is allegedly a reprint from the CONGRESSIONAL RECORD that was circulated by this high-powered lobbyist. It even has the seal of the

United States of America on it to make it look official.

It is labeled "Congressional Record" and is described as "proceedings and debate of the 86th Congress, 1st Session, June 2, 1959." It indicates that this was the entire debate on the amendment last year. However, even though it looks like a reprint from the CONGRESSIONAL RECORD, it is actually not a reprint at all. He has skipped around on several pages of the CONGRESSIONAL RECORD and taken excerpts from speeches of various Senators, and then assembled those excerpts as being the debate in support of his big appropriation. This is definitely and deliberately misleading.

Various Senators are quoted in this allegedly true transcript of the CONGRESSIONAL RECORD of June 2, 1959, but the quotes are taken out of context and reassembled to support his own argument.

I realize that everyone has the right to quote from the CONGRESSIONAL RECORD. It is public property once it has been printed. No one has the right, however, to go through the CONGRESSIONAL RECORD, take out of context statements by various Members of the Senate, assemble those excerpts, and then present them as a statement of a Senator's position, and further to indicate that he has reproduced the Senate proceedings and debate. That is deliberately being misleading.

Every Member of the Senate knows that if we wish to make a reprint from the CONGRESSIONAL RECORD we must print the transcript in its entirety or clearly state that it represents excerpts only. We cannot just eliminate the remarks of Senators who happen to be in opposition to what we advocate.

These letters with the alleged reprints of the CONGRESSIONAL RECORD were mailed to millions of farmers. They call the attention of the farmers to how the Members of Congress from their States voted and indicate that those who voted to cut the appropriation almost destroyed the American farmer.

I have here the letter that was sent throughout the State of Delaware. Its enclosure allegedly is a reprint of the debate last year when an effort was made to reduce this same appropriation. The letter states that Senator FREAR and Senator WILLIAMS voted against this program and continues by saying:

Fortunately, they were in the minority, and the program was left at \$250 million.

The letter further states that the vote was 51 to 26 to defeat the Williams amendment. Presumably they think it would have been disastrous if the amendment had been accepted. They even claim that 84 percent of the farmers in Delaware were against the vote cast by Senator FREAR and Senator WILLIAMS. Mr. Koch knows how to sell lime to the Government, but he does not know the Delaware farmers. I think the two Senators from Delaware know what we are doing when we represent our farmers. It might interest Mr. Koch to know that our farm organizations have strongly supported the position we have taken here on the floor of the Senate. Mr. Koch is just another lobbyist whose only interest in the American farmer is

how much money he can make selling lime to the Government.

Whether a lobbyist is for or against a bill or proposal is his business, and I respect his right to represent his clients; but I raise serious question with respect to the propriety of any lobbyist's taking excerpts from the CONGRESSIONAL RECORD, assembling them in this fashion, and then circulating them throughout the country, representing them to be the complete Senate proceedings, in an attempt to obtain a larger appropriation. Unquestionably, this is a threat by a lobbyist to defeat the representatives in Congress who do not comply with his wishes by voting as he says.

I wonder whether Mr. Koch should not register the expenditure for circularizing what is supposedly an accurate reproduction of the CONGRESSIONAL RECORD and whether he should not also file with the appropriate elections committees the contribution he is making toward the election or defeat of various Members of Congress who do not knuckle down to what he wants.

I will ask the Department of Justice to review these letters to see if it is a proper lobbying activity for a registered lobbyist to take. I do not believe it is proper for him to take from the congressional proceedings excerpts from several pages and assemble them in such a fashion as to make them look like a continuous debate. Can this be charged off as expenses which would be indirectly attributed to lobbying?

The strongest supporters of this increased expenditure are those who stand to make the most money; namely, the Limestone Institute. It wants to sell \$500 million worth of lime throughout the United States without the necessity of having salesmen go out on the road, as they ordinarily would have to do. They know that they can get a good price for it in this way.

I raise a question about the advisability of appropriating two and a half times as much money as the Department of Agriculture or the Bureau of the Budget recommends. Why should we spend \$250 million to furnish free fertilizer or to subsidize lime for American farmers to produce more crops when we already have an overabundance of these agricultural products? We are already paying around \$350 million under the bill to get farmers to take out of production some of their land.

This contradictory program will bankrupt the American taxpayers.

In the interest of the farmer and in the interest of the taxpayers I believe it is about time that Congress made up its mind in which direction it wishes to go. Do we want to curtail the surpluses or are we trying to increase them? If my amendment is rejected it will automatically increase the appropriation in the bill by \$150 million above what is needed. In the interest of economy and in the interest of America the amendment should be agreed to. It may not be in the interest of the American Agricultural Lime Institute, but I am not concerned about the Lime Institute. It is about time that they realize that if we are going to have a free enterprise system in this country they had better ac-

cept some responsibilities. As one Member of the Senate, I do not hesitate to tell them that it is not their place to sell their lime here in Congress but to go out on the American farms and do it the way it used to be done.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Delaware has just mentioned the National Agricultural Limestone Institute. About 3 months ago I received an invitation to be present at a banquet sponsored by that association. The letter came to me about a week after I had received a letter from an Ohio constituent, a farmer, which enclosed a letter which the Limestone Institute had sent to Ohio farmers. The letter was written by the Limestone Institute, and in substance stated:

We call your attention to the fact that Senator LAUSCHE voted in favor of the Williams amendment, which would have reduced the appropriation for this program from \$250 million to \$100 million. We do not point this out to you for the purpose of prejudicing Senator LAUSCHE in his political position, but we want you to know that he voted against the amendment.

I wonder why they pointed out that I voted against it, if they did not intend that I should be prejudiced in the eyes of Ohio voters.

The Ohio farmer who wrote to me said, in effect, "Instead of being influenced by the letter, I have become fortified in the conviction that the position which you and Senator WILLIAMS, of Delaware, took is right." I do not know whether it has been disclosed on the floor of the Senate that letters of the type which my Ohio constituent referred to were sent out.

Mr. WILLIAMS of Delaware. I have just discussed that point and pointed out how they were being mailed to farmers in several States.

Mr. LAUSCHE. In what unprejudiced, objective, national-serving purpose is this institute engaged? Is it interested in the strength and the fiscal stability and the goodness of our Government? Or is it sending out letters of this type for the purpose of insuring that there shall be made available to them a large lime-purchasing public? The questions are rhetorical; they answer themselves. The interest of the Limestone Institute is the selling of lime, even though the taxpayers generally have to pay for it.

I want it clearly understood by the farmers of Ohio, in particular, and by all the taxpayers of Ohio, in general, that I will not vote for the spending of money to reduce farm production, on the one hand, and then for the spending of money for the purpose of increasing farm production, on the other hand. It is similar to the situation of a man who is building up the front of his house while the back of it is on fire.

I commend the Senator from Delaware for the position which he has taken in this matter. If we intend to reduce farm production to, in a measure, equal

the consumption of farm products, the way to do it is not by spending this amount of money to provide fertilizer and other things which will increase farm production.

I commend the Senator from Delaware for the position which he took. I shall gladly support him in the amendment which he has offered today.

The time has come to declare the facts as they exist. It is argued that each farmer will get about \$170. There are 1,100,000 of them—1,100,000 voters. How can we afford to pay each one \$170? The farmer has rebelled against this. He does not want to be offended in that way. Yet that is what we are doing on the floor of the Senate. I will not be a party to it.

Mr. WILLIAMS of Delaware. I thank the Senator from Ohio for his statement. I fully agree with his statement. I say again that I know there are Members of the Senate who sincerely believe in the full appropriation for this program. I respect the right of any Senator to differ with the position I take and which I know the Senator from Ohio takes. But I join with the Senator from Ohio in questioning whether there is any degree of sincerity in the statement of Mr. Koch, the president of the National Agricultural Limestone Institute, so far as the American farmer is concerned. His only interest is in selling \$500 million worth of lime to the U.S. Government. He is interested in what he can make on the farmer and not in what he can do for him.

I point out again that in the letter sent throughout Ohio and throughout Delaware as well as throughout other States he has noted that the amount involved is \$250 million and has suggested that instead of cutting it to \$100 million it should be increased to \$500 million a year. He is strongly against the action of those who voted against the increase.

He was careful in the letters to point out and emphasize the fact that the institute is calling this to the reader's attention not with the idea of defeating a certain Senator; but that objective is certainly foremost in his mind. The letter was sent out for only one reason, and that was to be a warning to Members of the Senate that if we continue to vote against their recommendations for appropriations, they will circularize the farmers of our States in an attempt to defeat us in the election. There is an implied threat in every one of the letters.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield. Mr. LAUSCHE. Does the Senator have a copy of that letter?

Mr. WILLIAMS of Delaware. Yes.

Mr. LAUSCHE. I have not been able to locate my own copy.

Mr. WILLIAMS of Delaware. It so happens that I have a copy of the letter that went to the farmers in Ohio as well as copies of the letters which were sent to the various other States including Delaware.

I call attention again to the fact that along with each of the letters that went

to the various farmers was an alleged reprint from the CONGRESSIONAL RECORD. It was described as a part of the proceedings of the 86th Congress, 1st session, under date of June 2, 1959.

That enclosure was not the proceedings of the Senate of that day on the debate on this question. All contain excerpts from statements which various Senators made as they spoke on the amendment. It is made to appear that practically all the speakers were opposed to the amendment.

If a man wishes to distribute the proceedings of the U.S. Senate from the CONGRESSIONAL RECORD, they are supposed to be printed in their entirety. He does not have a right to take a paragraph from a man's statement at one place and another paragraph from another man's statement, assemble them, and send them out under the heading "CONGRESSIONAL RECORD Proceedings" without an indication that they are only excerpts from the RECORD.

I believe Mr. Koch has gone a little too far in his concern to sell lime to the U.S. Government. I wonder if it would not do him good to get out in the old-fashioned way, as many American farmers do, and work for a living rather than to sit back and gouge the American taxpayers as well as the farmers as he has been doing for the last several years.

I hope the amendment will be adopted, not as a repudiation of Mr. Koch, but on its merits. Certainly the taxpayers can well use the saving of \$150 million, which would be saved, and it would bring the amount down to the budget recommendations.

COMPACT FOR APPORTIONMENT OF WATERS OF BIG BLUE RIVER BETWEEN STATES OF KANSAS AND NEBRASKA

Mr. HRUSKA. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 1605. After I make a short explanation, I desire to move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill—S.1605—granting the consent of Congress to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the apportionment of the waters of the Big Blue River and its tributaries as they affect such States, which was, to strike out all after the enacting clause and insert:

That the consent of Congress is hereby given to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the interests of such States in the waters of the Big Blue River and all its tributaries, and providing for an equitable apportionment between said States of the waters of the Big Blue River and its tributaries and for matters incident thereto: *Provided*, That one qualified person appointed by the President of the United States shall participate in such negotiations as chairman, representing the United States, and shall make a report to the President and to the Congress on the

proceedings and on the compact. The person so appointed shall be chosen from among persons who are regularly employed full time by a department or agency of the United States and shall receive no additional compensation by reason of appointment under this Act. His travel expenses, including per diem in lieu of subsistence, shall be borne by the department or agency from which he is appointed. No compact, the negotiation of which is authorized by this Act, shall be binding upon the parties thereto until it has been ratified by the legislatures of each of the respective States, and approved by the Congress of the United States.

Mr. HRUSKA. Mr. President, the House has amended the bill, which was passed last year by this body, by inserting an amendment in the nature of a substitute. The effect of the amendment is to limit the appointment by the President of the United States of the person who will represent the United States to a person who shall be chosen from among persons who are regularly employed, full time, by a department or agency of the United States, and it is provided that such person shall receive no additional salary.

The Senate version allowed the appointment of the Government representative to be made by the President from among persons either within the Government or outside the employ of the Government.

Before I move that the Senate concur in the amendment of the House, let me say that I consulted with the Senators from Kansas and also with my colleague from Nebraska [Mr. CURTIS]; and all of them are in agreement with the motion which I shall make, and are in support of it.

Mr. CARLSON. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. CARLSON. I understand that the amendment relates to Senate bill 1605, which grants the consent of Congress to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the apportionment of the waters of the Big Blue River and its tributaries as they affect such States.

Mr. HRUSKA. That is correct.

Mr. CARLSON. I also understand that, under the bill, the President will make the appointment; and I further understand that, under the amendment of the House of Representatives, instead of appointing any person, the President must appoint someone who already is employed by the Federal Government.

Mr. HRUSKA. That is correct; and no additional compensation will be paid to such person for his services on the Compact Commission.

Mr. CARLSON. Very well.

Mr. HRUSKA. Mr. President, having made that explanation—and let me say that the matter has been cleared by the leadership on both sides—I now move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska.

The motion was agreed to.

CONTINUATION FOR 2 YEARS OF EXISTING SUSPENSION OF DUTIES ON CERTAIN LATHES

Mr. BYRD of Virginia. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. BYRD of Virginia. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to House bill 9862.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 9862) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD of Virginia. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. CARLSON, and Mr. BENNETT conferees on the part of the Senate.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

Mr. RUSSELL. Mr. President—

Mr. COOPER. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. COOPER. Let me say that I can understand the feeling of the Senator from Delaware [Mr. WILLIAMS]; but I should like to suggest to the Senate that when Senators vote on the amendment of the Senator from Delaware, they should distinguish between the two issues.

The Senator from Delaware has been talking about the practices of a representative of the Limestone Institute, as I understand it. But when the vote is taken, Senators must vote on the ACP program on its merits.

I know nothing about the matter of propriety to which the Senator from Delaware has referred. I assume that whatever he has said is correct. But I say that when the Senate proceeds to vote, it should consider whether it wishes to support the ACP program.

I should like to point out to the Senate that the agricultural conservation program is a cost-sharing program. The costs are shared between the Federal Government and the farmers themselves.

As to the limestone used in the program, I believe I am correct in saying that a few years ago, in 1953 or 1954, be-

cause questions had been raised about the use of limestone to increase crop production, the Department of Agriculture changed the regulations so as to provide that ACP limestone could no longer be used on any farmland for any crop, but must be restricted to land already in grass or legumes, or land being put into permanent or rotation pasture. That is, limestone can now be used only on fallow ground, for green-manure crops, for soil-building and conserving practices, not for crop production purposes. In most cases, I understand, the land must remain in grass for 3 or 4 years. If limestone is being used on cultivated land to increase crop production in the State of Delaware, that is something about which the Senator from Delaware can inquire.

I think the ACP program has been one of the best farm programs, reaching large numbers of small farmers at a relatively small cost per farm. It encourages a great variety of soil-building and water-conserving practices, and the farmers share the costs. The ACP makes it possible for thousands of farmers to build up their soil, establish and maintain vegetative cover, provide erosion control, follow better forestry practices, and engage in any number of other sound conservation practices. I have always supported this program, and I have seen the results it has brought to Kentucky.

I intend to support the action taken by the committee to provide the full regular authorization of \$250 million for the ACP. With all due deference to my friend the Senator from Delaware, I call attention to the fact that when the vote is taken, Senators will not be voting on whether some representative of the Limestone Institute followed a practice which might not be proper. Instead, we shall vote on the agricultural conservation program on its merits. I shall oppose the amendment, and I hope it will be defeated.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as an illustration of the worth of the ACP, a statement about the agricultural conservation program in Kentucky.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AGRICULTURAL CONSERVATION PROGRAM IN KENTUCKY

Again for 1959 the owners and operators of over 40,000 Kentucky farms made use of agricultural conservation program (ACP) cost-sharing to make additional progress on their soil, water, and woodland conservation goals. These farmers, whose farms include about three-eighths of the cropland in the State, utilized over \$7 million of ACP funds, and matched that amount by their own contributions.

The establishment and improvement of permanent vegetative cover for soil and watershed protection have continued in recent years to be the most used ACP practices. However, there has been some reduction in the percentage of Kentucky's ACP funds used for these purposes, while forestry and mechanical or earth moving types of practices have increased. The establishment of livestock water facilities as a means of protecting vegetative cover or

making practicable the utilization of land for vegetative cover, is an important practice in the State, accounting for about one-seventh of the program. During the last 5 years, over 22,000 livestock water storage dams have been constructed in the State with ACP assistance.

For several years there has been a strong increase each year in the acreage of forestry practices. The latest annual report shows that 11,524 acres of trees were planted for forestry and erosion control purposes on almost 3,000 farms in 91 counties, and that 3,242 acres of timber stands were improved in 49 counties. The leading counties in tree planting were Perry, 763 acres; Clay, 548 acres; Floyd, 546 acres; Johnson, 457 acres; Knott, 449 acres; and Ohio, 443 acres.

During 1959, 1,735 farms in small watershed organized by local groups in 20 counties, usually under the provisions of the Watershed Protection and Flood Prevention Act (Public Law 566), utilized \$410,000 of ACP funds to carry out land treatment measures in the 12 watersheds involved, which had been authorized for operations. When local groups are ready to move forward with organized watershed efforts, the ASC State committee gives special consideration to the allocation of ACP funds to the counties in which these small watersheds are located in order that the funds can be used as effectively as possible in advancing the farm and watershed conservation programs in the area. Additional amounts of ACP cost-sharing were used in several watersheds authorized for planning, but not then authorized for the construction of major works of improvement.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. WILLIAMS of Delaware. In my remarks I made it clear that there can always be an honest difference of opinion among Senators and that many Senators and organizations are sincerely supporting this program.

Certainly I do not question their sincerity, but I do question the sincerity of Mr. Koch. I think he is primarily interested in selling lime regardless of what the farmers get out of its use; and furthermore I seriously question the propriety of the manner in which he seeks to generate support in having these appropriations increased. I think that is an entirely off-base activity by him and his organization.

In this country we have a system in which lobbyists have a right to submit their views to Senators—and certainly I respect the right of any organization to present its views to us—however, I believe that as a lobbyist, Mr. Koch has gone too far. When he tried to distort the record by attempting to make the farmers believe that all Members of Congress, except a very few, are in favor of this proposal he goes too far.

Furthermore, I point out that it is definitely established that the material which Mr. Koch distributed as a reproduction of the CONGRESSIONAL RECORD was only excerpts from the RECORD. Obviously he did not include all of the congressional proceedings in connection with that matter. Nevertheless, the material which was sent out by him was handled in such a way as to give the impression that it constituted all of the congressional proceedings in connection with the debate of June 2, 1959.

I have offered the amendment on the basis that it will be better for the American farmers if my proposal is adopted.

In my opinion it is time to stop spending this extra \$150 million to produce more crops when we already have more than we know what to do with, and I think the taxpayers can use the \$150 million which would be saved.

But again I want it clearly understood that I desire to have the amendment voted on on its merits.

Mr. RUSSELL. Mr. President, I am delighted that the clarification has been made, and that it is now clear that the Senate will not vote on the practices or activities of Mr. Koch.

Mr. President, 1,114,459 American farmers are putting up their own money in order to participate in this great program to conserve the fertility of the soil of the Nation and to defend against erosion by wind or water.

Every member of the Senate committee is familiar with this program, and it is not necessary to discuss it at any great length at this time.

For some incomprehensible reason, ever since Mr. Benson took over the Department of Agriculture, he has undertaken to weaken and, in fact, to defeat the agricultural conservation program.

I say for some incomprehensible reason; I would not say that if Mr. Benson had not equally urged the conservation phase of the soil bank program, which the Government finances 100 percent, and which reaches only 300,000 farms, and costs 3 times as much per acre as the agricultural conservation program.

In my opinion, we get more conservation value per dollar from the appropriation for the agricultural conservation program than we do from any other activity for which we appropriate.

There are a great many different phases of the constant struggle to defend the fertility of our soil, in order that it may be handed down unimpaired to coming generations. We get more real value out of this program than any other. The farmers are all familiar with it. Plans are made 2 or 3 years ahead, sometimes, as to the practices farmers will employ on their farms.

The Senator from Delaware is correct in saying that this provision goes to the 1961 program. It does. But it would be a great tragedy to cut this program back to \$100 million. I have said before, and I repeat now, that it would be better to cut it out altogether than to cut it back to that amount. Some \$42 million of this amount goes to pay for the local county committees, and other agencies in administration of the program. It would be better to abolish it altogether than to undertake to carry on what would amount to a \$56 million conservation program and spend some \$40 million to administer it.

I think the Senator is familiar with this program. We have had this program before us time and time again. I think it would be a distinct step backward to adopt the amendment proposed by the Senator from Delaware.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I want to identify myself with this particular recommendation of the committee. I believe, as the chairman of the subcommittee has stated, that the ACP is the most constructive endeavor that we make in the field of conservation. To cut it back to the dimensions proposed by the Senator from Delaware would make it totally ineffective, and really highly discriminatory, because it surely could not cover the amount of programing for conservation which is contemplated. What is more, it seems to me that, rather than think in terms of a reduction of this particular program, we might well give serious thought to a greatly revised and expanded conservation program, in which there is farmer participation and cost sharing, because that kind of program lends itself to better soil management than pulling whole areas out of production and letting them stand idle.

If any Senator wants a demonstration of what happens when vast areas are taken out of production under the soil bank, all he has to do is travel around this country and see the great growth of weed patches. That is happening in area after area.

In my State we do not use much lime. After all, the use of lime relates to the condition of the soil. In some areas we use lime. In others we do not. If the soil is alkaline, lime is not used. If it is acid or rancid, lime is used. As has been indicated, under a previous order of the Department of Agriculture, lime is supposed to be used for soilbuilding, so it cannot be used, under the ACP program, on soil that is seeded for crops. The purpose of the program is to encourage soilbuilding practices, and is related to the long-term fertility of the soil.

I never have had any opportunity to associate with the Limestone Institute. It seems to me once I attended a banquet at the Statler Hotel and heard a good speech. That was about all. They do not spend much time on me. I was for the soil conservation program long before I heard of the Limestone Institute. I know, as a druggist, that lime is a reasonably good chemical. The institute has probably gotten a little free publicity here today. It seems to me that when these institutions are publicized on the floor of the Senate they are given undue attention. I prefer to publicize the agricultural conservation program.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I did not want this opportunity to pass without at least expressing my approval of the soil conservation program. I concur in the statement that has been made by the distinguished Senator from Georgia [Mr. RUSSELL]. It is an annual program. It is a program in operation. I think it is the best farm program we have at the present time. Not only that; it is not a program to increase crop production, but a program for the conservation of soil.

There has been much discussion about lime this afternoon. Lime is being used, under the program, where it is needed. It is not a case of sending out for lime to be placed on soil. In my State there are areas where we do not need lime, but there are areas where it is needed. I am glad it is part of the soil conservation program. I am glad the Senate recognizes that we should not reduce an item which is a very important item in the bill.

Mr. WILLIAMS of Delaware. Mr. President, I recognize that one of the most unpopular things we can do is to try to cut appropriations. It is always easier to vote for increased appropriations. Nevertheless, it is the increases in appropriations that have caused the deficits we have had for the past several years. This is one place where we can save \$150 million.

Many Members of Congress have expressed concern over our inability to live within our national income. The reason for our inability to live within our national income is that Congress continues to appropriate more money than is collected from the American taxpayers.

This is another instance in which the bill provides for \$150 million more than recommended by the Budget Bureau, by the Department of Agriculture, and by a great farm organization, the American Farm Bureau, as well as many other American farmers.

Certainly, the American taxpayers can use this \$150 million saving resulting from the adoption of this amendment.

I think the amendment should be approved.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I should like to call the attention of the chairman of the subcommittee [Mr. RUSSELL] to that portion of the bill which deals with brucellosis treatment.

On page 4, line 1, the committee figure of \$52,236,000 represents the plant and animal disease and pest control program, of which a part will be for the brucellosis program.

Mr. President, I recognize that members of the Senate Appropriations Committee increased this item from the amount proposed by the Department of Agriculture, \$15,582,000, to the more nearly adequate sum of \$19 million. The committee members recognized that the Department recommendation would fall far short of the needs. The economics of the accelerated brucellosis eradication program have been discussed previously when the agriculture appropriation bill has been brought up.

Each year, the Department's own figures show that the sooner we bring this disease under control the sooner we can reduce this expenditure. And each year, the Department recommends a reduced appropriation. Last year this program was cut back almost 20 percent, even though Congress did not concur in a figure as low as that requested in the budget. Department expert witnesses

have said that at the level of program activity permitted by an appropriation of around \$16 million it would take 14 more years before we could attain a nationwide modified, certified brucellosis-free condition. However, the same expert witnesses state that under an accelerated program, this certified condition would be reached, not in 14 years, but in approximately 6 years. Following nationwide certification, another 5 to 10 years would be required to accomplish complete eradication.

It is a simple matter of mathematics that the go-slow program will cost the Nation more in the longer period of time it will take to reach a successful conclusion. I appreciate that the committee took this into account when it increased the appropriation to \$19 million. I ask that we take the additional step which will bring the program operations almost to the level of the 1958 program, when the Federal contribution was \$22,252,000.

Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 4, line 1, it is proposed to strike out "\$52,236,000" and to insert in lieu thereof "\$55,236,000."

Mr. HUMPHREY. Mr. President, the amendment would restore the brucellosis funds to the level of operations which we had in 1958. The testimony of the Department of Agriculture shows that there is a great need for this money. Actually, the expansion or the spread of the brucellosis disease results in one of the most costly operations we have in this country. If we can strike a greater blow at the brucellosis condition—which means, of course, essentially, buying up the herds once they become infected—we shall have that much better chance of reducing the costs in the long run and getting our country in a so-called brucellosis free condition.

As I recall the testimony before the committee, it indicates that the Department witnesses, as I have mentioned, were of the opinion that with a stepped up program we could reduce the time element by about 50 percent. I hope that the chairman of the subcommittee will not find it too difficult to accept an amendment which would restore the appropriations not to some new high figure but to the level of the 1958 program.

Mr. RUSSELL. Mr. President, the committee is fully aware of the great importance of the brucellosis program.

I regret that I cannot accept the amendment which the Senator has offered. This proposal was discussed in great detail in the subcommittee. The subcommittee agreed on the figure of \$19 million. The figure we have allowed for this very important program is \$3½ million above the budget estimate.

It is quite true that in years gone by the appropriation for this item has been as great as \$25 million, I think, in 1 year.

Mr. HUMPHREY. The Senator is correct.

Mr. RUSSELL. We have made great progress with this program. There are

a number of States which are practically free of this, and a larger number of States which have modified certification.

There is another reason why I would oppose increasing the appropriations for this item at this time. We have provided adequate funds to carry on the work in the States which are carrying their full share of the load. We have been endeavoring to get some equality of participation on the part of each of the States in this program for several years, without having succeeded in doing so. At present the participation runs from 85 percent in one State to as low as 16 percent in another State. If we continue to dole out and to shovel out Federal funds as requested we will maintain this inequality as among the several States.

I do not wish to be invidious by calling out the names of any of the States which have low participation, but the committee feels very strongly that the Department has failed in the effort to get some of the States to contribute as substantially as they should for this program.

The \$19 million, when weighed against the job remaining to be done, is really more money in proportion than the \$25 million was when that amount was appropriated, because we have made great progress in this campaign. There are entire States which now have been declared completely brucellosis-free. There are 1,718 counties in the United States—including 21 entire States—which have received the modified certification of complete elimination of brucellosis.

This is undoubtedly a vital campaign. It is important to public health. It is important to the people who own dairy herds. However, we are making splendid progress with the program. I do not think we can justify increasing the appropriation by that great an amount above the budget estimate.

Mr. HUMPHREY. May I make one other observation?

Mr. RUSSELL. Yes.

Mr. HUMPHREY. I believe it was stated in the testimony that in the 1960 budget the appropriation was approximately \$16¼ million. The Senate provided some \$17½ million, while the House provided approximately \$15 million, and the final amount, as the bill came from the conference, was \$16¼ million. I believe that was the figure for 1960.

According to the testimony, within 30 days after Congress adjourned last year it appeared that the Department of Agriculture would be short at least \$5 million of funds necessary for carrying on the brucellosis eradication program, and additional funds had to be requested of the Congress for the brucellosis eradication effort.

While there are some discrepancies in the level of State participation, and while I agree with the Senator that those wide variations ought to be narrowed down and it would be desirable if there could be some uniformity as to the amounts the States contribute, there is no doubt that the brucellosis program thus far conducted has been a great asset. While the \$25 million, the high peak of appropriations, related to the need, was not

as much in proportion, let us say, as \$19 million would be now, the need for action is still very great.

Mr. RUSSELL. That is very true.

Mr. HUMPHREY. I have a feeling that, while there is, of course, a good deal to be said on behalf of trying to bring these programs along in an orderly way and on a more uniform basis, there is nothing in the bill to compel the Department to exercise its good influence upon the States.

Mr. RUSSELL. Yes, indeed. We did include a provision in the bill to be effective for the following year. We did not let the provision affect the appropriations for next fiscal year.

Mr. HUMPHREY. That relates to 1962?

Mr. RUSSELL. Yes. We did not think it was fair to make it applicable now, while the State legislatures are not in session. We did not undertake to put the provision in the bill for this year.

We have stated in the committee report year after year that the Department should take steps to require a larger participation on the part of some States which were failing to participate properly, and the Department paid no attention to the request, so we have put a provision in the bill for the 1962 campaign.

Mr. HUMPHREY. Yes. I observe that has been done.

Mr. RUSSELL. We will get some results now. I have a deep feeling with respect to this program. I think it is a very important program. It might be true that \$3 million or \$4 million more could be spend to advantage but we are making fine progress and the incidence of this disease has been reduced by 50 percent in the past 5 or 6 years.

Mr. HUMPHREY. That is correct.

Mr. RUSSELL. We are making fine progress. Let us have a chance to get the States participating on a more equal scale, and then I will go along with the Senator on bringing the program to a conclusion.

Mr. HUMPHREY. May I say most respectfully that I know the Senator from Georgia has been most helpful in respect to this subject all along. I might add that had the Congress not increased the appropriations, we would be so far behind now that the figure the Senator from Minnesota is indicating would be puny indeed.

Mr. RUSSELL. This is the third successive year in which we have suggested substantial sums above the budget estimates.

Mr. HUMPHREY. I believe those sums have lent themselves to wise economy, because there is nothing more expensive than the failure to get this disease under control.

Mr. President, I offer my amendment, and in the light of the discussion which the Senator from Georgia has stated in respect to the action of the committee, I gather that the opposition is rather strong. Nevertheless I feel rather strongly about the importance of increasing the appropriation of these funds, so I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was rejected.

Mr. HUMPHREY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. On page 9, line 16, it is proposed to strike "\$83,132,000" and insert in lieu thereof "\$83,882,000."

Mr. HUMPHREY. Mr. President, the purpose of the amendment is to add additional funds in the sum of \$750,000 for the technical services which are provided by the Soil Conservation Service to the farmers who are participating in the soil conservation program at the soil conservation district level.

The proposed amendment would increase the funds available for the technical assistance which would be available to the soil conservation districts. As reported by the committee, the appropriation is \$250,000 more than the budget estimate. I had intended to offer an amendment which would request a substantially larger sum than that proposed in the present amendment, but I believe the most important consideration is to continue to make some recognizable progress in the expansion of technical assistance efforts for the Soil Conservation Service.

The increase provided by the committee of \$250,000 is for the staffing of an additional 20 districts during fiscal 1961.

Mr. President, soil and water conservation is one of the most important subjects which ever comes before this body. We have discussed it considerably this afternoon. Actually only about one-third of the Nation's agricultural land today is adequately safeguarded, and I have listened to much discussion about how we spend the taxpayer's money on matters relating to conservation.

I have just returned from my home State. While there, I talked with some accountants who had figured the income tax returns for some of the farmers in the southern part of the State of Minnesota, which is one of the most productive agricultural areas in the Nation. One accountant after another told me that farm income in that area was down anywhere from one-quarter to one-third of what it was the year before. If there was as much concern in the Senate for the income of our farmers as there is for some of the so-called expenditures that we make for farmers, we would not have to make as many expenditures for farmers. I have never been able to agree with the philosophy that the way to protect the United States is merely to cut back its expenditures. I happen to believe in the increase of its income, because there is a basic minimum on expenditures below which we should not go. There is a time when we either must abandon a program entirely or make it effective.

I have gone very carefully into the matter of technical assistance for soil conservation districts. In my own State of Minnesota, which has a fine soil conservation program, farmers find themselves handicapped because of inadequate technical assistance. I am not

talking about grants of money or payments to farmers. I am talking about employing trained soil conservation specialists who are needed for the soil conservation program. Our farmers are not able to progress with their plans to maintain the resources of their farm lands.

Recently, I received a letter from a constituent, Mr. E. F. Borgmann, of Sauk Centre, Minn., regarding the Soil Conservation Service personnel situation in his area.

Mr. Borgmann wrote to me as follows:

It is my understanding that the local Soil Conservation Service is running out of funds and the service unit at Sauk Centre will be hampered because of lack of personnel out of this office.

Will you kindly check into this matter as to reasons for this lack of funds and, if you will, kindly advise what we can do from this end toward counteracting this. We feel very strongly this office should expand rather than curtail their services.

Thank you for this consideration.

This letter was referred to the Administrator of the Soil Conservation Service, Mr. D. A. Williams, and I have an exchange of correspondence which I am going to insert in the RECORD in a moment.

I am sure the situation Mr. Williams describes is as true nationally as it is in my own State. In order to know the exact situation in the State of Minnesota, I requested that information be supplied showing how many farmers were denied the opportunity to share in the agricultural conservation program because there simply were not sufficient funds available. The reply I received from Mr. E. J. Person, an administrative officer of the Minnesota State ASC office, revealed that in 1959 the requests of 1,659 farmers for assistance were turned down. Mr. Person estimates that in 1960, 1,675 Minnesota farmers will be turned away.

Mr. President, I ask unanimous consent that the full text of these respective communications, the one from Mr. D. A. Williams, the Administrator of the U.S. Department of Agriculture Soil Conservation Service, the letter from E. J. Person, administrative officer, Minnesota State ASC office, and the letter from Mr. E. P. Borgmann, of Sauk Centre, Minn., be made a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BORGSMANN IMPLEMENT CO.,
Sauk Centre, Minn., April 30, 1960.

Hon. HUBERT H. HUMPHREY,
Senate of the United States,
Washington, D.C.

DEAR SENATOR HUMPHREY: It is my understanding that the local soil conservation service is running out of funds and the service unit at Sauk Centre will be hampered because of lack of personnel out of this office.

Will you kindly check into this matter, as to reasons for this lack of funds and if you will kindly advise what we can do from this end toward counteracting this. We feel very strongly this office should expand rather than curtail their services.

Thank you for this consideration.

Yours very truly,

E. F. BORGSMANN.

U.S. DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Washington, D.C., May 10, 1960.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: This is in response to your communication of May 5, 1960, with an attached letter from Mr. E. F. Borgmann, Sauk Centre, Minn., regarding a shortage of Soil Conservation Service personnel in the Sauk Centre area.

As you know, the primary responsibility assigned to the Soil Conservation Service by the Congress is to provide technical assistance to farmers in planning and applying conservation programs on their land through local soil conservation districts. The Congress appropriates funds for the Soil Conservation Service for this purpose.

The situation in Mr. Borgmann's area is a familiar one to us. We are currently assisting some 2,865 soil conservation districts throughout the country. District governing bodies from every State report urgently needed soil and water conservation work that cannot progress as rapidly as it should because of a shortage of technicians. The problem is that the resources available at this time will not permit staffing districts with the additional technicians which are needed. Therefore, technical manpower is the limiting factor in the amount of conservation work which can be done in many areas.

We are appreciative of Mr. Borgmann's evaluation of the services rendered by the Soil Conservation Service. His letter is herewith returned as requested.

Sincerely yours,

D. A. WILLIAMS,
Administrator.

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURE STABILIZATION AND
CONSERVATION COMMITTEE,
St. Paul, Minn., May 12, 1960.

Hon. HUBERT HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: We are enclosing the material which we stated in our letter dated April 26, 1960, would be furnished to you as soon as we received a report from our county ASC offices. A report was received from every county except for Martin County. In this particular county we did experience some difficulty in getting the SCS technician to accept additional referrals under the 1959 agricultural conservation program, and probably some farmers were denied cost sharing because of inadequate technical service by the SCS. However, we do not believe the number involved would be very substantial and, therefore, would not materially affect the totals for the 1959 and 1960 programs. It will be noted that we have listed only the names of those counties reporting that farmers' requests for practice approvals under the 1959 ACP were disapproved because of inadequate technical services by the SCS or where it is estimated that some of the farmers' requests under the 1960 program will be disapproved for the same reason. In the unlisted counties adequate technical services were available in 1959 and will, no doubt, be available for 1960 so that all approved requests will be serviced by the SCS. For your information we are also enclosing a copy of our communication to the county ASC offices requesting the data furnished herewith.

Under the 1959 program a transfer of approximately \$271,000 was made to the Soil Conservation Service so as to provide for additional technical services to farmers who desired to participate in the agricultural conservation program. However, over 1,600 farmers were unable to participate in the 1959 program because of inadequate technical services from the SCS technicians. The same amount of transfer will be made for the 1960 program, but it appears that

even a larger number of farmers will not have the opportunity to participate because of a shortage in the needed technical services from the SCS.

We appreciate having the opportunity to be of service to you. It is our desire that the information which we have submitted will be beneficial to you in resolving the problem which materially affects farmer participation in the ACP. This is especially true where we have available adequate funds to approve these farmers' requests.

Very truly yours,

E. J. PERSON,
Administrative Officer,
Minnesota State ASC Office.

County	Number of referrals not serviced in 1959	Estimated number of referrals that will not be serviced in 1960
Beltrami.....	25	20
Brown.....	16	16
Clay.....	60	25
Clearwater.....	25	25
Coltonwood.....	49	15
Dakota.....	25	15
Fillmore.....	110	50
Goodhue.....	81	54
Grant.....	124	150
Houston.....	100	65
Kittson.....	109	50
Lyon.....	10	25
Mahnomen.....	368	400
Marshall.....	15	25
Mille Lacs.....	50	50
Murray.....	50	24
Olmsted.....	50	60
East Otter Tail.....	16	47
Pine.....	59	25
Pipestone.....	144	65
West Polk.....	100	120
Red Lake.....	48	125
Roseau.....	150	130
Scott.....	30	30
Swift.....	30	30
Wabasha.....	30	30
Wadena.....	30	30
Wilkin.....	30	30
Total (28 counties).....	1,659	1,675

Mr. HUMPHREY. Mr. President, I gave some of my colleagues present in the Senate the contents of the Borgmann letter. I took this communication through channels. I went directly to the national office in Washington and to the State office in Minnesota. Let me report what the State office in Minnesota said:

Farmers' requests for practice approvals under the 1959 ACP were disapproved because of inadequate technical services by the SCS or where it is estimated that some of the farmers' requests under the 1960 program will be disapproved for the same reason.

I have here a chart submitted by the Minnesota SCS committee showing that the number of referrals for technical assistance under the soil conservation program in 1959 not serviced was 1,659. The estimated number of referrals which will not be served in 1960 is 1,675.

These are farmers who live within soil conservation districts, and I believe I am correct in saying that the State of Minnesota has one of the better soil conservation district programs.

I read the third paragraph of the report of the National Administrator:

The situation in Mr. Borgmann's area is a familiar one to us. We are currently assisting some 2,865 soil conservation districts throughout the country. District governing bodies from every State report urgently needed soil and water conservation work that cannot progress as rapidly as it should

because of a shortage of technicians. The problem is that the resources available at this time will not permit staffing districts with the additional technicians which are needed. Therefore, technical manpower is the limiting factor in the amount of conservation work which can be done in many areas.

Mr. President, the State of Minnesota has suffered another very serious flood. Every year I plead in the Senate for some flood control funds. Every time someone says we cannot afford it. Mr. President, we could have put 14-carat gold-plated levees along the Minnesota River for what this flood cost us this weekend, with 12½ inches of rain in 28 hours. I get a little tired of hearing that we cannot take care of this wisest and best investment in the world, namely, the United States of America. We are talking about the Soil Conservation Service. It is a great program. I do not believe it costs the taxpayers one penny. In fact, the Soil Conservation Service makes money for the Government of the United States. If we have any vision, if we can look ahead for more than 5 minutes, we must realize that we are not legislating merely for this afternoon. I certainly trust we are not legislating merely for this afternoon.

I have seen the rolling hills of southeastern Minnesota, which are some of the most beautiful areas to be found anywhere in the land, eroded from water erosion. I have seen the rolling plains of western Minnesota eroded from wind erosion. I have seen the Soil Conservation Service restore those lands. Today they are productive lands. They need technical assistance. They do not need merely payments. Important as payments are, we do need technical assistance.

The committee was wise in its judgment in adding an additional \$250,000 over the budget estimate. However, the \$250,000 over the budget estimate is only a drop in the bucket. Funds for technical service and technicians are not expenditures. They are investments. When we put competent technicians into a business, we should not consider the costs expenditures, we should consider them investments.

The \$750,000 that I am requesting is only a thimbleful of what is needed, but it will make it possible for some of the soil conservation district programs to supply the required services to the farm people in these areas.

I hope the committee will see fit to accept the amendment. At least it represents a little more progress than represented by the small amount which has been granted by the committee.

THE KIWI

Mr. KEATING. Mr. President, will the Senator yield so that I may make a brief comment on another subject?

Mr. HUMPHREY. I yield for that purpose.

Mr. KEATING. A very interesting organization is meeting in Washington this week. It is called the Kiwis. It is made up of former airline hostesses who retired from that profession when

they were married. They use the name "Kiwis" because, as we all know, a kiwi is a bird that cannot fly.

It is an appropriate time to pay tribute to these fine young women who have so many of us in their care when we fly, as all of us do. It is appropriate that we welcome them to Washington. I appreciate my friend from Minnesota permitting me to make this intervention during his remarks.

Mr. HUMPHREY. I am delighted with the intervention, so to speak, because while I was speaking on a rather earthy subject, soil conservation, I want the Senator to know that I have an esthetic nature also.

Both the charm of these lovely young ladies and the atmospheric areas in which they work give me reason to be happy with the comment of the Senator from New York.

Mr. KEATING. The Senator from Minnesota travels about the country as much as any one of us. I know he appreciates, as we all do, the fine service which these young women have given every one of us.

Mr. HUMPHREY. I surely do. Although the Senator from Minnesota has not always been too successful in his travels, he nevertheless always appreciates the kind thoughts and gentle words of the lovely young ladies who serve as stewardesses on our airlines. I thank the Senator.

Mr. RUSSELL. I hope that Senators will not confuse the issue before the Senate with what has been said in commendation of the airline hostesses of the United States.

Mr. HUMPHREY. If it will help, that is all right.

Mr. RUSSELL. In such a case I would be completely eliminated in my attempt to defend against the amendment.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

Mr. HUMPHREY. Now to get back to the soil conservation amendment—

Mr. RUSSELL. There is a great deal of merit in the position taken by the Senator from Minnesota. Technically speaking, in light of the amount that is involved and the number of districts which have been created, I suppose we could even justify a much greater increase in the appropriation than is suggested by the Senator from Minnesota. However, there is more money available for this purpose than the Senator from Minnesota has indicated. If he will look at page 10, line 20, of the bill, he will find that there is a reappropriation of \$600,000, which is made available for transfer and merger with this appropriation.

I am sure that he is likewise familiar with the fact that two and a half million dollars are available for employment in the Great Plains area. Three and a

half million dollars—and before the bill goes to the President this may go to \$4,900,000—are available for surveys in the watershed areas. That is directly connected with the work which the Senator from Minnesota so eloquently depicts. In addition, the sum of \$5 million is transferred from the regular agricultural conservation program for technical work by the Soil Conservation Service.

All in all, while more money would be justified—and I would like to see it provided—I believe we have gone about as far in increasing the appropriation as we can. I hope Senators will realize that we are voting on the amendment offered by the Senator from Minnesota to increase the appropriation by \$750,000 over and above the amount in the bill, which is already an increase over and above the budget estimate. It has nothing whatever to do with the comment made by the Senator from New York [Mr. KEATING]. [Laughter.]

Mr. HUMPHREY. I think it is only fair that the Senator from Georgia should dissociate the comments of the Senator from Minnesota in that respect, if those comments should be prejudicial—even though I would like to have the comments be prejudicial slightly in my favor.

The comments of the Senator from Minnesota were made in the awareness of the soil conservation program for the Great Plains and for the regular soil conservation efforts. In fact, my letter to the Administrator, enclosing a letter from Mr. Borgmann, took into consideration that fact.

I believe I understood the Senator from Georgia to state that there is a need for additional soil conservation technical service, but he believes that we have made substantial progress in this bill, and therefore does not support the amendment.

Mr. RUSSELL. I do not believe that we shall ever close down this program. We shall never finish with the program of undertaking to preserve the soils of our country and to protect the water resources of the United States. As nature moves on, we shall have other problems, and we shall have to institute more intensive programs. Our increasing population will make it mandatory that we exercise the greatest care on each acre of land. However, I do say that in light of all that is involved in the bill we have a bill which deals fairly with the Soil Conservation Service as compared with the other activities. I hope the Senate will reject the amendment.

Mr. HUMPHREY. I hope the Senate will not reject it. We have voted \$250 million for the ACP program, which I strongly supported. There is a direct relationship between ACP and SCS. The technical services for the ACP come from SCS, and the SCS is no better than the technical program. Therefore, the conservation programs are no better than the technical personnel. It seems to me that the importance of additional technical personnel cannot be overestimated, because they use the funds which have been made available for payment purposes for the different tools or works

that are utilized in the soil conservation program. I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota.

The amendment was rejected.

Mr. HUMPHREY. Mr. President, I submit another amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, line 9, it is proposed to strike out "\$110 million" and insert in lieu thereof "\$135 million."

Mr. HUMPHREY. Mr. President, the purpose of the amendment is very simple. It adds to the school-lunch program the sum of \$25 million, which I think is required in order to maintain the school-lunch program on a basis which will meet the needs of the growing school population and the increased cost of food supplies which are needed for the school-lunch program.

The committee provided or recommended for the fiscal year 1961 the basic appropriation at exactly the same level as was provided for fiscal 1960—in other words, \$110 million.

It seems to me that this program should be strengthened. The enrollment in the schools increases each year, and the number of schools which participate in the program increases. The cost of the food supplies increases. Therefore, to maintain the program at the same level is, in effect, reducing it.

In other words, Mr. President, if you have in your family six children, and the average food budget for the six children is \$150, that is \$25 for each child. Then you add 2 more children, the average for the year is still \$150. You may be able to say that you are providing the same amount of money for food as you used to provide, and, therefore, you are a good provider. But I am afraid that having two additional children at the table to be fed will cause a realization that the same amount of money or the same budget will not provide the same amount of food as would have been provided for a smaller number of children.

In this instance, the Nation has a growing school population. In 1961 the school population will be larger by well over a million children—almost 2 million more—than there are in fiscal 1960. Therefore, the school-lunch program, so far as the Federal contribution is concerned, should take into consideration an elementary fact—the census.

When we take into consideration the school census, it becomes obvious that to provide the same amount of money for the next year as was provided for the last year is not holding the line, but is, in fact, retreating.

I also note that the administration recommended a reduction in the transfer of section 32 funds to the school-lunch program for the purchase of additional high protein foods. I note also that the Committee on Appropriations, in its wisdom, increased this item by \$5 million, instead of decreasing it, making \$45 million available for the purchase

of turkeys, ground pork, dried eggs, and similar high protein foods.

I hope the words dried eggs, which are constantly bandied around, might also be expanded to include fresh eggs, because the dried egg diet is hardly one which is conducive to happy living. It is conducive to survival, but not to joyful living. I have seen the time when the purchase of a few fresh eggs would do much good for not only those who would eat them, but also for the market.

I commend the committee for rejecting the attitude of the administration to attempt to reduce the transfer of section 32 funds. By the way, there is more than \$400 million in section 32 funds. I cannot, for the life of me understand why the administration would want to reduce that amount of money for transfer to the school lunch program. That money was collected from tariffs; it is not a taxpayers' fund. Surely, it should be made available to those who are in need. A short time ago I saw the need for the use of some of this money by hungry people in this country.

Mr. President, I ask for the favorable consideration of my amendment, which would increase the direct appropriation for the national school lunch program to \$135 million for fiscal year 1961.

Mr. RUSSELL. Mr. President, the distinguished Senator from Minnesota probes me in a sensitive spot every time he offers one of these amendments. He places me in the position of a hard-hearted father, who resists the efforts of the country salesman who comes in and implores the husband to buy a dress for his wife.

Mr. HUMPHREY. I would not do that, because the Senator from Georgia is not that type of person.

All I am attempting to do is to state what I believe, according to my conviction and my conscience, is necessary. When I see the growth of the school population, and I see that we are holding to the same amount of funds, I merely want the RECORD to be clear concerning the views of HUBERT HUMPHREY, U.S. Senator from Minnesota. I will be accused of being a spender, and I am willing to spend when it is necessary. I will be accused in my home State of trying to raise this budget item by a substantial amount of money. I welcome the accusation, because as the father of four children I have found that it costs more to feed four children than it does three; more to feed three than it does two; more to feed two than it does one. I have lived with children long enough to know how hungry they can get.

When there will be about 2 million more children in the schools next year, I do not want anyone to kid me by saying that \$2 million more for the school-lunch program is holding the line. It does not take into consideration the increase in the school population.

I am willing, however, to stand the public test by voting for additional funds for school lunches.

Mr. RUSSELL. As I have said, I have long been interested in the program. It was my distinct honor and privilege to be the first to introduce in Congress the bill which is substantially the existing

school lunch law. I wrote that bill myself. I did not have the help of any drafting service or of anyone from the Department. With very slight changes, that bill is still on the statute books, although it carries a House number. So I have great pride in the school lunch program.

I confess that the school population is greatly increasing. But the \$110 million provided in the bill is not all the money we have for the school lunch program. We have \$45 million of section 32 funds, which really makes \$155 million of direct appropriations.

As the Senator from Minnesota has said, that is about \$5 million over and above what was appropriated for the current year. In addition to that program, there is the surplus commodity program. There have been very few years when that amount has fallen below \$70 million. For the current year, it is estimated to be about \$75 million. It will be at least that much, probably more, in my opinion, in the coming fiscal year.

One of the most important parts of the whole program is the special milk program, which is very helpful, indeed, to the schoolchildren, particularly those who come from underprivileged families. That program will be increased by some \$7 million next year, to a total of \$95 million.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HOLLAND. The first step-up of that program was for the present fiscal year, 1960. It was stepped up from \$81 million to \$85 million. The second step-up, in the bill which we recently passed, was to \$95 million for fiscal 1961, which is the next fiscal year.

Mr. RUSSELL. If that figure is correct—and that legislation came from the Senator's committee—that is a total of around \$330 million of Federal funds for the school lunch and school milk program. That is a rather substantial sum of money. Of course, more money could be spent. There is practically no limit to the amount of money which could be spent on the school lunch and school milk program. It depends, in the last analysis, upon the local administrator properly applying the program and properly choosing those who are to receive their milk and their lunches free, and fixing the proper charge upon the great majority of children who purchase their lunches each day.

This program runs into a tremendous sum of money—almost a billion dollars in total—when we consider the amount paid by the children who are purchasing their lunches.

More money could be justified, but we tried to have a balanced bill. I think the allowances we have made for the school lunch and the school milk programs are in keeping with the general distribution we have made throughout the bill.

I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was rejected.

Mr. HOLLAND. Mr. President, first I may say that unless one had served with the Senator from Georgia on the subcommittee handling the Department of Agriculture appropriations, one could hardly understand the fairness with which the school lunch and school milk programs were handled. While these are only two of the programs handled by the subcommittee, I think they constitute a fair test of the generosity of the subcommittee this year.

I commend the Senator from Georgia for having done so many things which are not only reasonable, but also generous, in our attitude to the whole school lunch program, including not only that part which is under the statute which bears that name, but also the milk program, which, by the way, the Senator from Minnesota [Mr. HUMPHREY] has supported, under the recent advance of that program, and the other programs which are included in the sum total of what makes up the program for the children of the Nation.

In the report, on page 7, will be found a new item added by the committee; namely, "\$115,000 to initiate a pilot program of estimates for tomatoes and celery."

There is a particular reason why I mention this matter at this time; it is because the Department's report and recommendation, which really serve as a justification for this item, unfortunately arrived a day or two after the record had gone to the printer. So the able clerk of the committee had the report of the Department on this subject matter printed in the side slips; and therefore it will not appear in the permanent RECORD of this debate unless it is placed in the RECORD at this time, as a part of the debate.

Therefore, Mr. President, I ask that that statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT SUBMITTED BY THE DEPARTMENT,
MAY 11, 1960

COMMERCIAL VEGETABLES FOR FRESH MARKET:
PILOT PHASE OF PROPOSED PROGRAM FOR
REPORTS ON SHORT-TIME SUPPLIES

The present program of reports on vegetable acreage and production for the fresh market is not filling the needs for timely information to guide the planting and aid materially in the marketing of the important vegetable crops.

The broad objective of the proposed program is to provide, through periodic inventories of acreage planted and frequent checks on progress of harvest, reliable and quick information on the supply of each important vegetable available, for short periods of time (monthly, semimonthly, or weekly) in each competing area of the country. Considerable experimental work has been done along this line on Florida tomatoes. A limited amount of such information also has been collected for Florida celery and California carrots and lettuce.

Before attempting to launch a full scale program of this type for nearly 2 dozen vegetables in the 27 important producing States, it seems desirable to work with a limited program in a few States. Such a program would provide operational experience under the different sets of cultural and marketing conditions existing in different sections of the country, and also would test the feasibility of quickly exchanging information between States for fast dissemination to growers, shippers, and marketing factors. To this end it is proposed to start with a modest program comprising tomatoes in Florida and Texas and celery in California, Florida, and Arizona.

For tomatoes, it is proposed to issue weekly reports on Florida plantings and to include other information relating to progress of the crop, rate of harvest, shipments, weather, etc. Tomatoes were selected in Florida because growers are keenly conscious of the marketing problems confronting them and are attempting to do something about these problems. Florida produces fall, winter, and spring crops of tomatoes. For Texas, which also grows fall, winter, and spring tomatoes, it is proposed to inaugurate a weekly program of reports for the Lower Valley and monthly reports for other areas in the State. Because of the large number of small growers in the other areas (Laredo-Winter Garden-Eagle Pass and Coastal Bend-East Texas), it seems best to start with a program of monthly reports in these latter areas. In the development of monthly reports from these areas, methods will be explored to apportion plantings after they have been completed into weekly or biweekly groups according to age. Florida and Texas grow 37 percent of the country's total tomato acreage for the fresh market.

From the basic information obtained on acreage, workable procedures will be developed to determine more accurate indications on inventories and future supplies in the producing areas involved. The principal factors in developing this moving inventory of acreage and supply information will be the number of acres harvested to a given date, the acreage remaining for harvest, the condition and yield prospects on this acreage, the probable rate of harvest, and the volume of supplies indicated for the monthly period.

For celery, the plan is to inaugurate monthly reports on acreage planted during the past month in California, Florida, and Arizona.

As with the monthly tomato reports, methods will be explored to ascertain, at monthly intervals, the number of acres harvested, the number remaining for harvest, condition and yield prospects, and the probable supply for the market the following month. These 3 States grow about four-fifths of the country's annual celery acreage, accounting for all of the winter and spring acreage, 36 percent of the summer acreage, and 76 percent of the fall acreage.

Emphasis will be placed on the quick distribution of information to growers, shippers, and other marketing factors. A system of exchanging acreage and supply information by telephone and telegraph between State offices of the Crop Reporting Board will be tested so that this information will be available to everyone within 3 days of its collection instead of 10 to 12 days, as is now the case with crop reports. A summary of the information by States, also will be released from Washington at the same time.

The attached table shows pertinent data concerning acreage, value and number of growers for the two crops covered in the proposed pilot project. The proposed project would cover, for the 2 crops concerned, a total of about 105,000 acres grown by approxi-

mately 12,600 farmers. In 1959 production from this acreage had a value of \$82.4 million. Cost per year \$115,000.

State and season	Acres harvested in 1959		Value of production, 1959 (thousand dollars)	Number of growers, 1954 census
	Number of acres	Percent of season's total		
	Celery			
Florida:				
Winter.....	8,100	60	6,161	-----
Spring.....	5,200	63	3,059	-----
Total.....	13,300	-----	9,220	77
California:				
Winter.....	4,600	34	6,515	-----
Spring.....	3,100	37	6,008	-----
Summer.....	2,500	36	4,563	-----
Fall.....	7,100	76	11,466	-----
Total.....	17,300	-----	28,552	489
Arizona: Winter..	750	6	531	12
3-State total..	31,350	182	38,303	578
	Tomatoes			
Florida:				
Winter.....	16,100	100	16,298	-----
Spring.....	14,700	21	16,174	-----
Fall.....	8,600	29	6,708	-----
Total.....	39,400	-----	39,180	1,798
Texas:				
Spring.....	34,000	48	4,854	-----
Fall.....	600	2	90	-----
Total.....	34,600	-----	4,944	10,266
2-State total..	74,000	137	44,124	12,064

¹ Percent of U.S. annual total.

Mr. HOLLAND. Mr. President, I wish to state, briefly, that the Florida Fruit & Vegetable Association, which is a very large organization in our State which represents the vegetable producers and others, but particularly the vegetable producers, has for some years been conducting experimental programs, helped by its own funds and by State funds and to some degree in the past, I believe, by small amounts of Federal funds, in order to ascertain what can be done in connection with the best handling of market reports to the producers of fresh vegetables, which not only are highly perishable and have a short season, but also compete with vegetables which come from offshore areas, such as Cuba and the Isle of Pines, as Senators know, and also with similar products from Texas, Arizona, and California.

We presented to the committee a request, on behalf of the Florida Fruit & Vegetable Association, which spoke not only for itself and its own members, but also was speaking for the producers in California, Texas, and Arizona, and covered the need to supply market information on these highly perishable crops.

According to the view of the Department at that time, as voiced by Secretary Peterson and Mr. S. R. Newell, the proposed program would have been too large; and they felt, as did we, that although all of us recognized the great need for such a program, it should be approached on a pilot program basis.

We therefore suggested that the Department's statement or justification be

sent to the committee; and it has now been printed in the side slips.

I think it might be well for me to read two paragraphs from the statement. I now read from the Department's recommendation:

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The broad objective of the proposed program is to provide, through periodic inventories of acreage planted and frequent checks on progress of harvest, reliable and quick information on the supply of each important vegetable available, for short periods of time (monthly, semimonthly, or weekly) in each competing area of the country. Considerable experimental work has been done along this line on Florida tomatoes. A limited amount of such information also has been collected for Florida celery and California carrots and lettuce.

Before attempting to launch a full scale program of this type for nearly 2 dozen vegetables in the 27 important producing States, it seems desirable to work with a limited program in a few States. Such a program would provide operational experience under the different sets of cultural and marketing conditions existing in different sections of the country, and also would test the feasibility of quickly exchanging information between States for fast dissemination to growers, shippers, and marketing factors. To this end it is proposed to start with a modest program comprising tomatoes in Florida and Texas and celery in California, Florida, and Arizona.

One of the two crops which the recommended program covers is tomatoes—that is to say, the winter, spring, and fall crop tomatoes in Florida and the spring and fall tomatoes in Texas, which, incidentally, supply 37 percent of the entire amount of table tomatoes that are used by the Nation.

As for celery, the program covers the year-round production in California, the winter and spring production in Florida, and the winter production in Arizona. The celery crop covered would be 82 percent of the national table supply of celery.

Senators will observe in the compilation which now has been placed in the RECORD how the program is broken down between the States of Florida, California, Texas, and Arizona.

I think this program is an exceedingly useful one. It is a pilot program which, supplementing the programs already carried out in part in Florida and in California, will give a general view of how much good can be accomplished in the case of these highly perishable and highly important crops, for which nothing as regards price supports or anything of the sort is being requested. But the program proposed may be of great use to the Nation as a whole, as well as to the growers in the particular States immediately concerned.

I wished to make this statement, because the hearings, as printed, unfortu-

nately do not show what is involved in this program.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CARLSON. Mr. President, before the vote on the bill is taken, I should like to refer to an item which many of the people of Kansas have called to my attention—namely, the importance of the conservation reserve and the necessity of providing adequate funds for it.

In connection with the conservation reserve and the 1,444,237 acres in Kansas which are used for it, it is interesting to note that 951,064 acres of the 1,447,237 acres comprise whole farms which have been taken out of production.

This matter is of concern to our people, first, because they are not able to take care of the applications for the program; and, second, because they feel that there are not sufficient funds to pay for the personnel needed in connection with the operation. So, first, I should like to ask the distinguished Senator whether he feels that sufficient funds are provided in order to take care of the applications for the acreage reserve.

Mr. RUSSELL. Does the Senator mean sufficient funds to pay the contractors the amounts due them?

Mr. CARLSON. Yes, and to take care of additional requests.

Mr. RUSSELL. There will be no funds to take care of additional requests, because no additional requests can be received. The program has ended, insofar as new applications are concerned. The only program now is to pay those who are operating under the old contracts.

Mr. President, I think the amount provided in the bill is adequate. As a matter of fact, the Department has consistently overestimated the amounts necessary, and from year to year there has been a carryover.

The Senate committee has increased by \$25 million the amount recommended by the House; and it has developed that there will be a carryover of at least \$20 million from the present year, and that it will be available.

We are within about \$6 million of restoring the full amount requested by the Department of Agriculture; and I assure the Senator that we shall make good the amounts due under these contracts; and if it happens that not quite enough money is provided in this bill, the additional money needed will be the first money to be included in the supplemental bill.

The Senator knows there is also a question about the amount necessary for the contracts; and from year to year there is always a carryover.

It is said that only a small part of this appropriation will not be needed immediately, because it will be necessary to make measurements in order to ascertain whether a farmer has completely conformed to his part of the contract. So, as a result of the amount allowed in this bill, no hurt will be done any farmer.

Mr. CARLSON. Then, based on the statement made by the Senator from Georgia, I can assure the people of Kansas that their interests will be cared for.

Mr. RUSSELL. The Senator can assure them that so long as the Senator from Georgia is in the Senate—

Mr. HUMPHREY. And that will be a very long time, thank goodness.

Mr. RUSSELL. The Senator from Kansas can assure the people of his State that so long as the Senator from Georgia serves in the Senate, there will be sufficient funds to take care of what is due them under these contracts.

Mr. CARLSON. I thank the Senator from Georgia.

Let me ask whether I correctly understand that the \$13,783,000 requested for the conservation reserve program, as recommended by the Bureau of the Budget, will be cut to \$12 million?

Mr. RUSSELL. Yes, from approximately \$13 million to \$12 million.

Mr. CARLSON. \$13,783,000 was recommended for 1961; and the committee has cut it to \$12 million; is that correct?

Mr. RUSSELL. Yes.

Mr. CARLSON. Does the Senator from Georgia think that amount will be sufficient to carry on this program?

Mr. RUSSELL. I believe it will be adequate. Of course, that is a substantial reduction from the amount provided this year; and that reduction will be made because there will be no new contracts. The only question will be to police the existing contracts.

If the Senator from Kansas will read the language which appears at the bottom of page 21 of the bill, he will find that not less than \$10 million of that amount will be available for local administration, and that is where the program is really administered.

That is where the program is really administered.

We have undertaken, in the discussion with the Senator from South Dakota [Mr. MUNDT], today, to clear up the point that it was the intention of the committee that the county committees shall be first provided for, then the State committees, and that the principal reductions should be at the Washington level, because there are no more policies to be formulated, or matters of that kind. It is more a question of seeing that the contracts are complied with and also of conforming to the Government's share by seeing that these are paid.

I believe the agency will be able to function with this administrative fund.

Mr. CARLSON. The Senator from Kansas has such a high regard for the Senator from Georgia that he is going to go back to his people in Kansas and say they are taken care of.

Mr. RUSSELL. There may be a little pinching. There may not be the money they think they should have. But the agency should be able to administer the program with this money.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Kentucky.

Mr. COOPER. I should like to direct the attention of the chairman of the subcommittee to the appropriation for the Extension Service. I notice that the committee recommended an appropriation of \$57,715,000, which represents an increase of \$2 million over the figure provided by the House, and \$4 million over the amount provided for fiscal 1960.

Am I correct in assuming that the State land grant colleges and the extension services in each State can determine, within the scope of the program, the use to be made of these funds? For example, could they use these funds to bring the salaries of extension workers and home demonstration agents up to a level that would be more nearly equal to the salaries paid in other States?

Mr. RUSSELL. Yes. We have assumed the money would be used largely for that purpose. However, of course, the needs vary as between the States. The State of Oregon, for example, pays its county agents a great deal more than any other State in the Union does. Oregon has a large State appropriation for that purpose. The State may desire to hire different specialists in some fields, such as for fruit production. However, generally throughout the United States, I think the funds will be used to increase the compensation of the county agents and home demonstration agents who work on the farm level.

Mr. COOPER. Recently the Kellogg Foundation made a grant of approximately \$750,000 to the State of Kentucky, to be used under the supervision of the director of the State extension service, for research and activities toward the development of 30 counties in the eastern section of the State. Peculiarly enough, today we debated the depressed areas bill, which also was designed to give help to such areas. This \$750,000 grant will be available to help build the agricultural and other resources of 30 counties in the depressed areas of Kentucky.

Under this appropriation for the cooperative extension work, would the extension service in Kentucky be empowered to use a part of those funds in the rural development program, or in the extension service program in those counties, to make it a more effective program?

Mr. RUSSELL. The Senator means to use the Kellogg funds—

Mr. COOPER. No, not the Kellogg funds.

Mr. RUSSELL. Yes, indeed. They could use the appropriated funds to increase personnel and, if necessary, select 20 counties in Kentucky and give them the rural development treatment. There is no question about it, if the State of Kentucky desired to do it. The only overriding requirement is that the States, or the local units thereof, shall match the appropriation dollar for dollar. As a matter of fact, most of the States spend a great deal more than they receive from the Federal Government; but that is the overriding requirement to obtain those funds.

Mr. COOPER. I know my State will be very appreciative of the fact that the committee retained the \$250,000 item

which had been placed in the bill in the House, and largely through the initiative of my colleague, Representative WILLIAM NATCHER, of Kentucky, to initiate a tobacco research center in Kentucky.

I wish to thank the committee and the Senator from Georgia for maintaining that appropriation.

Mr. RUSSELL. We hope and trust that the developments at that research station will not only be helpful to the burley tobacco growers, but will also help the Flue-cured tobacco growers of Georgia.

Mr. COOPER. And the dark tobacco growers.

Mr. RUSSELL. Yes.

Mr. COOPER. I appreciate, as I know all of us do, the great interest of the Senator from Georgia in the farm programs and the fine work of the subcommittee of which he is chairman. We are grateful to him and to the other members of the committee for their good work.

Mr. RUSSELL. I thank the Senator.

Mr. President, may we have the third reading of the bill?

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, I ask that we have the yeas and nays on the passage of the bill.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Wyoming [Mr. MCGEE], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Michigan [Mr. HART], the Senator from Hawaii [Mr. LONG], the Senator from Oregon [Mr. MORSE], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] and the Senator from Michigan [Mr. McNAMARA] are absent because of illness.

I further announce that the Senator from North Carolina [Mr. JORDAN], the

Senator from West Virginia [Mr. RANDOLPH], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senators from Wyoming [Mr. McGEE and Mr. O'MAHONEY], the Senators from Michigan [Mr. McNAMARA and Mr. HART], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Hawaii [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of death in his immediate family.

The Senator from New Jersey [Mr. CASE] is necessarily absent.

The Senator from South Dakota [Mr. CASE] is absent on official business.

The Senator from Hawaii [Mr. FONG] is absent on official business as a member of the official delegation to attend the 150th celebration in Buenos Aires.

The Senator from Pennsylvania [Mr. SCOTT] is detained on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART] would vote "nay."

On this vote, the Senator from South Dakota [Mr. CASE] is paired with the Senator from New Jersey [Mr. CASE]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from New Jersey would vote "nay."

The result was announced—yeas 74, nays 1, as follows:

[No. 200]

YEAS—74

Aiken	Fulbright	Magnuson
Allott	Goldwater	Mansfield
Anderson	Gore	Martin
Beall	Green	Monroney
Bennett	Gruening	Morton
Bible	Hartke	Moss
Bridges	Hayden	Mundt
Brunsdale	Hickenlooper	Muskie
Butler	Hill	Pastore
Byrd, Va.	Holland	Prouty
Byrd, W. Va.	Hruska	Proxmire
Carlson	Humphrey	Robertson
Carroll	Jackson	Russell
Clark	Javits	Saltonstall
Cooper	Johnson, Tex.	Schoeppel
Cotton	Johnston, S.C.	Smith
Curtis	Keating	Sparkman
Dodd	Kefauver	Stennis
Douglas	Kerr	Thurmond
Dworshak	Kuchel	Wiley
Eastland	Lausche	Williams, Del.
Ellender	Long, La.	Yarborough
Engle	Lusk	Young, N. Dak.
Ervin	McCarthy	Young, Ohio
Frear	McClellan	

NAYS—1

Bush

NOT VOTING—25

Bartlett	Hart	O'Mahoney
Cannon	Hennings	Randolph
Capehart	Jordan	Scott
Case, N.J.	Kennedy	Smathers
Case, S. Dak.	Long, Hawaii	Symington
Chavez	McGee	Talmadge
Church	McNamara	Williams, N.J.
Dirksen	Morse	
Fong	Murray	

So the bill (H.R. 12117) was passed.

Mr. RUSSELL. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. McCARTHY in the chair) appointed Mr. RUSSELL, Mr. HAYDEN, Mr. HILL, Mr. ROBERTSON, Mr. ELLENDER, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mr. DWORSHAK conferees on the part of the Senate.

PERMIT NAVY TO SERVE OLEO

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 921, Senate bill 2168.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2168) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

RESOLUTION OF JOINT TEXAS LEGISLATIVE COMMITTEE APPROVES PADRE ISLAND NATIONAL SEASHORE AREA

Mr. YARBOROUGH. Mr. President, the beach study committee of the Texas Legislature, a joint committee of both houses of the Texas Legislature, headed by two very able and experienced legislators, Senator Robert W. Baker, of Harris County, and Representative Ben A. Glusing, of Kleberg County, has adopted, on May 20, 1960, a resolution favoring creation of an 88-mile-long national seashore area on Padre Island.

This expression of cooperation and support by our Texas legislators of the project already recommended by President Eisenhower, Secretary of the Interior Fred Seaton, and supported by Senate Majority Leader LYNDON JOHNSON, should in my estimation assure establishment of Padre Island National Seashore Park for the pleasure and benefit of all Americans.

Action of the Texas legislative beach study committee shows that leaders at the State and National level are working in harmony on this project, which will permit the improvement of national seashore recreation facilities on the longest, southernmost natural beach left in America. With this legislative beach study committee favoring enabling legislation on the State level for an 88-mile national seashore park, it is virtually

certain that the Texas Legislature will pass such a bill next session. In 1959 the Texas Legislature passed a resolution favoring a 50-mile park and it would be simply a matter of increasing the designated park area.

Mr. President, that was a forward step, because in 1958, when I first introduced the bill to authorize the Padre Island project, it was said that the Texas Legislature would never give its consent to the creation of a Federal seashore area on Padre Island, and the local interests bitterly opposed the project in the Legislature of Texas. The forces of conservation scored one of their biggest victories in enacting a statute in 1959 providing for a 50-mile-long seashore area.

The Secretary of the Interior has recommended an 88-mile-long seashore area. My proposal was for 100 miles of the 117-mile-long island, but the joint committee of both Houses unanimously recommended the 88 miles, and we have agreed to attempt to have amended the Texas law, which now provides for a 50-mile seashore, and to provide for 88 miles. That is one of the most forward steps in the conservation of recreational resources in the history of my State.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. DOUGLAS. I wish to congratulate the Senator from Texas on achieving a much needed development of the shoreline of the United States for park purposes. We are rapidly losing our shorelines on the oceans, the gulf, and the lakes, and the Senator from Texas has with others been trying to develop a whole series of national parks to conserve the shoreline and to enable the people to have access to the sea and to the lakes. We have met with many discouragements. I congratulate the Senator from Texas upon obtaining this much needed park for Texas and for the country, and to congratulate him upon the progress which he has made.

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from Illinois for his very generous words. His interest in the conservation of our national resources and the recreational areas for the American people is long known. He worked at this project for many years before I reached the Senate. His fight for the Indiana Dunes is a national legend now. His great fight for the cleaning up of the pollution in our rivers and in every facet for the improvement of the habitat of the American people is well known. I wish to congratulate the Senator from Illinois for the leadership he has given to those of us who have come here since he laid out the pattern of work in that field.

The resolution passed by the Texas Legislature beach study committee is another vital and significant step toward establishment of Padre Island National Seashore Park. I ask unanimous consent to have printed in the RECORD the full text of this important resolution. I ask unanimous consent that the names of the State senators and State representatives who headed this legislative joint study committee and who signed

the resolution be printed in the RECORD with the resolution.

There being no objection, the resolution with signatures was ordered to be printed in the RECORD, as follows:

Whereas the National Park Service, through its pioneer work has awakened our country to the urgency of the need to save our shoreline and has particularly urged the preservation of Padre Island, the longest unspoiled natural beach in the United States, as a national seashore area; and

Whereas Senate bill 4, introduced in the Congress of the United States by the Honorable RALPH W. YARBOROUGH, Senator from Texas, would authorize the acquisition by the Secretary of the Interior of the major portion of Padre Island, which legislation has the strong support of the Honorable LYNDON B. JOHNSON, Senator from Texas, and other members of the Texas congressional delegation; and

Whereas a lengthy public hearing held on this legislation in Corpus Christi, Tex., on December 14, 1959 by the Subcommittee on Public Lands of the U.S. Senate Committee on Interior and Insular Affairs, presided over by Senator FRANK E. MOSS, of Utah, indicated that the people of Texas are strongly in favor of the creation of a national seashore area on Padre Island; and

Whereas the Department of Interior has recently recommended to the Congress of the United States the creation of an 88-mile national seashore area on Padre Island; and

Whereas the Texas Legislature, at its last session, recognized the desirability of such a project and charged this committee with the responsibility of recommending to the next session of the legislature necessary legislation to implement the creation of a national seashore area on Padre Island: Now, therefore, be it

Resolved by the Texas legislative beach study committee, That it endorse the recommendation of the Department of Interior and that it recommend to the next session of the legislature the approval of the creation of the 88-mile national seashore area on Padre Island as recommended by the Secretary of Interior; and be it further

Resolved, That said committee commend the Honorable RALPH W. YARBOROUGH, the Honorable LYNDON B. JOHNSON, the Honorable JOHN YOUNG, the Honorable JOE KILGORE, and all other members of the Texas delegation to the U.S. Congress for their efforts to secure for the people of Texas and of this country a national seashore area on Padre Island; and be it further

Resolved, That a copy of this resolution be forwarded to each member of the Texas congressional delegation.

Passed at Galveston, Tex., on the 20th day of May 1960.

ROBERT W. BAKER,
State Senator, Harris County, Chairman
of Texas Legislative Beach
Study Committee.

BEN A. GLUSING,
Representative, Kleberg County, Vice
Chairman of Texas Legislative
Beach Study Committee.

THE CONNALLY RESERVATION

Mr. MUNDT. Mr. President, earlier today the distinguished senior Senator from Minnesota [Mr. HUMPHREY] inserted in the CONGRESSIONAL RECORD a discussion of the Connally reservation, as it appeared in the columns of the Christian Science Monitor.

I request unanimous consent to have inserted in the body of the RECORD two articles appearing in the May issue of the American Bar Association Journal, which I feel deserve the attention and

consideration of every Member of the U.S. Senate.

These two articles present in eloquent yet dispassionate terms the pragmatic considerations which caused the Senate of the United States in 1946 to attach the six-word Connally amendment to the formal declaration of the United States accepting the compulsory jurisdiction of the International Court of Justice. Both authors recognize that in the continuing ferment of international affairs caused by the clash of the democratic philosophy of the free world with the totalitarian philosophy of the Sino-Soviet bloc that the Connally reservation remains as a vital and indispensable protection to the domestic sovereignty of the United States.

I am, indeed, proud that the author of the first of these articles is a fellow South Dakotan, Roy E. Willy, a distinguished practitioner of the law in South Dakota for the past three decades and the former chairman of the American Bar Association's house of delegates. Roy Willy has courageously taken up the cudgel in defense of the Connally amendment and is currently campaigning within the house of delegates, urging repeal of action taken 13 years ago, at which time the house of delegates favored the elimination of the Connally reservation.

The second article is authored by a scholarly and highly respected member of the Minnesota bar, Charles W. Briggs, of St. Paul. In a most erudite presentation Mr. Briggs traces the historical development of our Anglo-American concepts of the law, and he ably focuses attention on the one irrefutable lesson of history, that "law is the command of a sovereign power."

Before any action is taken in this legislative body with respect to the Connally amendment, I sincerely hope that all of my colleagues will read and carefully reflect on the contents of these two pragmatic discussions of the immediate prospects for peace through law.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE WORLD COURT AND THE CONNALLY RESERVATION

(By Roy E. Willy of the South Dakota Bar (Sioux Falls))

(References made for statistics quoted are largely taken from the report of a special committee of the House Judiciary Committee on the International Court of Justice and the International Criminal Police Organization made to the 1st sess. of the 86th Cong. on April 1959. (Reference to this report will be abbreviated H.J.C.).)

(Reference is also made to publication of the United Nations entitled "The International Court of Justice" in 1957, which is cited as "I.C.J.")

One of the principal purposes of the United Nations is stated to be: "To bring about by peaceful means and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace."¹ This same object was also the purpose of the League of Nations. Peaceful settlement of international disputes which might, if not

so disposed of, lead to the manifold horrors of war has long been the aim of many people and of many nations, including our own.

Unfortunately, in international affairs between nations, as in private transactions between individuals, it still requires two parties to make a bargain, and in the past it has not always been possible to secure the consent of the necessary parties to insure peaceful solution of international disputes. Certainly, in those cases in the not-too-far distant past in which dictatorship has sought to enlarge its scope of influence by extending the territorial boundaries of its country, a peaceful solution could be secured only at the cost of abject and unconditional surrender.

Whether the United Nations can prove any more successful in preventing deliberate acts of aggression on the part of ruthless and predatory dictatorship than its predecessor, the League of Nations, still remains an open question. The issue was presented to the world in the recent Korean struggle where, although there was intervention by the United Nations, a major conflagration was avoided. Whether this same result would have been reached had the forces of the United Nations waged other than limited warfare was not determined.

As an adjunct to the League of Nations, there was created in 1920 a "Permanent Court of International Justice,"² under provisions contained in the League Covenant. Its jurisdiction depended solely upon the consent and voluntary participation of the parties to a dispute. Its activities were interrupted by the outbreak of hostilities in World War II and in 1946, its existence terminated with the dissolution of the League of Nations.³

Historically, the first serious effort to create machinery for the settlement of international disputes by other than armed hostilities occurred in 1899 in connection with the First Hague Conference, at which time the powers who participated in this conference signed the "Hague Convention for the Pacific Settlement of International Disputes."⁴ In 1907 at the second Hague Conference, a Permanent Court of Arbitration was created, a body that still remains in existence.⁵ The extinction of the League of Nations carried with it the Permanent Court of International Justice. This gap in the world judicial organization was filled by the creation of a new judicial structure provided for in the Charter of the United Nations. The form and judicial substance of this organization is almost identical with the old Permanent Court of International Justice and at the first meeting of the new body, it adopted, with few changes, the rules of court of its predecessor.⁶

The present International Court of Justice consists of 15 judges who, under the provisions of its Charter, are elected by the General Assembly and the Security Council of the United Nations. The judges are chosen from lists of persons submitted by the various national groups who, as members of the United Nations, also belong to the Permanent Court of Arbitration, and in the case of members of the United Nations who do not belong to this court, separate lists are submitted. The General Assembly and the Council each holds a separate election and the successful candidates must obtain a majority of votes from each of these two separate bodies. Judges of the International Court are elected for nine-year terms and are eligible for reelection. Their terms are staggered so that five judges are selected every 3 years. Provision is

² I.C.J., p. 4.

³ I.C.J., p. 4.

⁴ I.C.J., p. 3.

⁵ I.C.J., p. 3.

⁶ I.C.J., p. 5.

¹ ICJ, p. 1.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of May 25, 1960
86th-2d, No. 95

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HIGHLIGHTS: House passed public works appropriation bill.

SENATE

1. OLEOMARGARINE. Began debate on S. 2168, to amend the Navy ration statute so as to permit the serving of oleomargarine or margarine (pp. 10234, 10244-51, 10254-6, 10257-8, 10260-1). Pending at adjournment was a proposed amendment by Sen. Proxmire to provide that no oleomargarine or margarine shall be acquired for use by the Navy unless the Secretary of Agriculture certifies that no purchases of milk or dairy products have been or are intended to be made for supporting the price of milk or butterfat, and that acquisition of oleomargarine or margarine will not cause or contribute to a surplus of milk or dairy products, but provided that limited supplies of oleomargarine or margarine may be acquired for use in special operations where the use of butter would be impractical (pp. 10248-51, 10254-6, 10257-8, 10260-1). Agreed to a unanimous-consent request by Sen. Mansfield to vote on the Proxmire amendment at 12:30 p. m. today, May 26 (P. 10257).
2. PERSONNEL. The Judiciary Committee reported with amendments H. R. 7577, to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment (S. Rept. 1425). p. 10224

3. AGRICULTURAL APPROPRIATION BILL, 1961. Sen. Dirksen called attention to language in this bill, H. R. 12117, authorizing additional borrowing authority of up to \$40 million for Farmers Home Administration Loans, \$60 million for rural telephone loans, and \$60 million for rural electrification loans, stating that he understood "that under the language as now carried in the bill, if the Administrator feels it is necessary to spend the money and goes to the Bureau of the Budget and insists upon having the additional money made available, the money must be made available." He stated that the "Budget Director has told me that if the demand is made it is virtually impossible for him to resist it, so the money may be expended." pp. 10231-2
4. ADMINISTRATIVE PRACTICE. Sen. Carroll submitted a report of the Judiciary Committee, "Administrative Practice and Procedure" (S. Rept. 1484). p. 10225
5. AIR POLLUTION. Sen. Kuchel urged enactment of legislation to permit stricter control of air pollution, and inserted several articles and letters discussing this matter. pp. 10238-40
6. WATER RESOURCES. Sen. Engle criticized the water resource development policies of the Administration, and inserted a table showing Federal expenditures for water resource development from 1950 through 1960. pp. 10252-3
7. WATERSHEDS. Received from the Budget Bureau plans for works of improvement on the following watersheds: p. 10223
Badger Creek and Mill-Picayune Creek, Iowa, Marsh Creek, Ky. and Tenn., Persimmon and Burnt Corn Creek, Miss., Tabo Creek, Mo., Fishing Creek, S. C., and Bad Axe, Wisc.; to Agriculture and Forestry Committee.
Upper Black Bear Creek, Okla., Reelfoot-Indian Creek, Tenn. and Ky., and Olmitos and Garcias Creeks, Tex.; to Public Works Committee.
8. LEGISLATIVE PROGRAM. Sen. Johnson announced that the following bills have been cleared by the policy committee for possible consideration this week or next week: S. 2759, the Ellender wheat bill; H. R. 7681, transfer of forest land authorities from Interior to USDA; S. 3044, multiple use management forest bill; S. 3140, commission on small town and rural county problems; S. 1617, adjustment of U. S. legislative jurisdiction over land in States; S. 1789, insure adequacy of railroad freight car supply; S. 2977, representation of regional banks for cooperatives on board of directors of Central Bank for Cooperatives; S. 1235, research in meteorology; S. 3074, participation of U. S. in International Development Association; H. R. 9983, payments in lieu of taxes on Federal property; S. 2583, reimbursement of owners of land for moving expenses; H. R. 9322, continue suspension of duty on coarse wool; H. R. 9881, free importation of household effects into U. S. under Government orders; S. 1787, regulate misbranding, etc., of imitation hardwood products; and S. 2830, extension of Library Services Act. pp. 10258-60

HOUSE

9. PUBLIC WORKS APPROPRIATION BILL, 1961. Passed, 387 to 18, without amendment this bill, H.R. 12326 (pp. 10263-4). Previous to the bill's passage, rejected by a vote of 294 to 110, a motion by Rep. Goodell to recommit the bill to the Appropriations Committee with the instructions to delete funds for the Allegheny River Reservoir in Pa. and N. Y. pp. 10263-4
10. PERSONNEL. As reported (see Digest 93), H. R. 9883, the Federal pay bill, includes provisions as follows:

Dr. Galbraith minimized the risk of bad faith in these words: "Some of our estimate of the danger of bad faith, we must agree, will be the residue of the bad feelings of recent years." With this sweepingly simple analysis of the cold war Professor Galbraith not merely succeeds in equating communism with democracy, but ignores the essential amorality of communism, its long record of perfidy and violated treaties. For my own part, I take it for granted that if there is enough to gain from cheating and if the cheating can be made reasonably safe, the Kremlin will cheat.

FACING CHOICE

What would the Kremlin gain from cheating? If the Kremlin were to get there first on the antimissile missile or the neutron bomb or on any other major technological breakthrough in nuclear weaponry, my conviction is that we would in short order find ourselves confronted with a choice between annihilation and surrender.

How easy would underground cheating be? Even the most elaborate inspection system yet proposed would provide detection capabilities only down to the level of a 20-kiloton (Hiroshima) blast. For the life of me I see no point to any detection system which would cost several billion dollars to install and probably another billion dollars a year to operate, and which would leave the Communists free to sneak test any device up to the size of a Hiroshima-type bomb.

Even at levels much lower than 20 kilotons it is possible to do a tremendous amount of significant testing. Such testing would not merely be immediately applicable to the entire range of clean, tactical nuclear weapons but would be applicable, by extrapolation, to the development of improved or radically different strategic weapons.

RISKS INVOLVED

My estimate of the relative risks differs fundamentally from Professor Galbraith's attitude. I believe that the greater our numerical and technological preponderance in nuclear weapons, the smaller the chance of war. I believe that an effective nuclear test ban, if such a thing were possible, would not decrease the danger of war by one iota. I believe that a test ban or moratorium observed only by the open societies would greatly increase the danger of a thermonuclear holocaust.

I believe that the opinion of mankind could be respected and the security of the free world served by an agreement based on President Eisenhower's proposal of February 11. This called for a ban on all tests that contaminate the atmosphere and detectable tests in space and underground, for a joint research program on detection, and for the extension of the test ban to other areas as improved means of inspection were developed.

Unfortunately, we have now departed from this position and agreed in principle to a ban on undetectable space shots and a moratorium on undetectable underground tests.

I fear that by these concessions we have placed the free world in grave jeopardy.

THOMAS J. DODD,
U.S. Senator.

CONFLICT OF INTERESTS

Mr. DIRKSEN. Mr. President, a very interesting editorial was published in the Wall Street Journal of May 17, 1960, under the caption "Conflict of Interests." I thought the significant statement in the editorial was the last, which is:

It is really a matter of determination of character. For a conflict of interest is to be found not in a man's bank box, but in his heart.

I think the editorial is worthy of reproduction and wider dissemination, so I ask

unanimous consent that it be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONFLICT OF INTERESTS

Mr. Edward K. Mills, Jr., an attorney, has requested President Eisenhower to withdraw his nomination as a member of the Federal Communications Commission. It is impossible, Mr. Mills said, for him to divest himself of an interest in stock in the communications field to a degree that can be "regarded as sufficient."

It is impossible because the stock is held by a bank acting as trustee for a trust fund established by his family with Mr. Mills as beneficiary some years ago. It is impossible for Mr. Mills to sell his stock—as Mr. Wilson sold his General Motors stock at great personal sacrifice, as it turned out—because he doesn't own it or control it. But he could benefit from a rise in its value, or suffer from a drop in its value.

If ever a situation could point to the unrealistic policy of expecting men to divest themselves of property in order to serve their government, this one surely does so. As to Mr. Mills himself, there might be objection to some of the policies he announced he would follow on the FCC; we certainly thought that he was going far afield in his proposals to raise the "standards" of TV and radio presentations by Government "persuasion."

But the irony is that if this were to be done on a broad enough scale, the TV and radio industries believe they would have lost revenues. So if anyone believes Mr. Mills might have acted in a way that would influence the value of the communications investments in his trust, they may very well be right. Mr. Mills might, while raising the standards of the industries he was to oversee, have succeeded also in lowering his own revenues.

We don't mean that the bars ought to be so lowered that no attention ought to be paid to possible conflicts of interest. But there are other and surer guides in our view. What is a man's reputation for honesty and integrity? That seems to us the better way to choose officials of Government agencies.

A crook could divest himself of everything and still remain a crook seeking high office for further crookery. An honest man will remain honest no matter what he owns or what temptations are placed in his way.

It is not really a matter of divestment. If it were, we ought to require all Secretaries of the Treasury to get rid even of their dollar bills—on the ground that a man might induce the Government to follow policies that could make the dollar more valuable and thus benefit himself.

It is really a matter of determination of character. For a conflict of interest is to be found not in a man's bank box but in his heart.

AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1961—CONTINGENCY LANGUAGE

Mr. DIRKSEN. Mr. President, in the welter of things happening yesterday I had hoped to invite attention to one item in the Department of Agriculture appropriation bill, but I was in and out of the Chamber so much during the day that I did not quite get around to it. However, I talked with some members of the committee and with other Senators with respect to the matter.

My comments relate to two items. First, in regard to the so-called Farmers Home Administration there was an appropriation provided and, in addition,

there was language to the effect that the Administration would be entitled to spend an additional \$40 million if it were required. It was my notion that perhaps the language ought to be safeguarded by requiring approval of the Bureau of the Budget, but there was some objection to doing so. Therefore, I did not offer the amendment.

I understand, however, that under the language as now carried in the bill, if the Administrator feels it is necessary to spend the money and goes to the Bureau of the Budget and insists upon having the additional money made available, the money must be made available.

The interesting thing about this matter is simply that we enlarge the expenditures for fiscal year 1961, but the enlargement does not show up in the budget total for that particular department.

A comparable provision was carried in the bill with respect to the Rural Electrification Administration, and made available an additional \$60 million for telephone loans and \$60 million for electrification loans, or a total of \$120 million. The Budget Director has told me that if the demand is made it is virtually impossible for him to resist it, so the money may be expended.

This is a total of \$60 million plus \$60 million plus \$40 million, or \$160 million. If the \$160 million is expended, then instead of the so-called \$135 million reduction in the budget figure as reported by the committee, actually there will be an excess expenditure over the budget figure.

This is not exactly back-door financing. This is a contingent appropriation. I become a little concerned about it, because instead of a back door it might become a trapdoor.

I did not want the legislative record to be closed on this matter without alluding to this. I am sensible of the fact that the language was incorporated in the bill as it came from the House of Representatives. The Senate did not modify the language and did not modify the amounts provided, but simply concurred in the action taken by the House.

I am pretty confident that those who are beset with budget problems and an effort to maintain a balanced budget are looking upon this with dubious eye, because they may feel the budget is in balance and suddenly discover the demand for the contingent amounts will be made. If such a demand is made and the money is expended in the fiscal year to come, then of course what now looks like a budget cut will really be an addition to the budget.

Perhaps, Mr. President, I should read into the RECORD the contingency language in one of these paragraphs. It is after the regular appropriation:

* * * and additional amounts, not to exceed \$60 million for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1961 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program.

There is, therefore, no authority in the Bureau of the Budget or in the executive

to stop the expenditure of the money if the head of the agency says, "We need it. We want it. We are going to spend it."

This throws a little new light on a different budgetary procedure of the Appropriations Committee, and someone should bring it to the attention of the Senate, because it may happen again upon a contingency basis. I am delighted, indeed, that the very distinguished chairman of the Committee on Appropriations is presently occupying the Presiding Officer's chair. This is a matter, I am sure, of great concern to him.

VICE PRESIDENT NIXON ADDRESSES ANNUAL CONVENTION OF THE NATIONAL SALES EXECUTIVES ASSOCIATION IN BUFFALO, N.Y.

Mr. KEATING. Mr. President, New York State recently welcomed distinguished visitors when Vice President and Mrs. Nixon appeared in several upstate cities. In a notable address before the annual convention of the National Sales Executives Association in Buffalo, the Vice President discussed the causes and aftermaths of the breakup of the summit conference.

More importantly, perhaps, he dealt with what all of this may mean for the future and with what America's role must be in leading the world to peace and security. Of particular pertinence were his remarks on the need to extend the mutual security program without serious cuts.

Mr. President, so that this address may reach the wide readership it deserves, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

TEXT OF ADDRESS DELIVERED BY VICE PRESIDENT RICHARD M. NIXON BEFORE ANNUAL CONVENTION OF THE NATIONAL SALES EXECUTIVES ASSOCIATION ON MAY 18, 1960, AT BUFFALO, N.Y.

Tonight I want to talk to you about a major problem, certainly the problem that is in the mind of every person in this room and most of the people in this Nation and probably in the world. You have read and heard that the summit conference is over. Mr. Khrushchev has decided to return to Moscow and President Eisenhower, after his visit to Portugal, will return to the United States. And so people are asking questions: What does it mean? Why did it happen? Who was at fault? Mr. Khrushchev's answer is that the United States is at fault. He says President Eisenhower personally must assume responsibility because he ordered the flights which have occurred over the Soviet Union over the past 4 years for the purpose of obtaining information to guard against surprise attack against the United States and the free world. Mr. Khrushchev in effect has said that because of the U-2 incident, and because he was so shocked to learn that some of these flights had occurred and that the President had ordered them, the summit conference could not go forward. Then he went on to say he felt that no conference should be held now until the American people should have an opportunity to vote for another President and then possibly the climate might be changed.

Having said these things, of course, speculation immediately comes up as to whether

Mr. Khrushchev is right and whether these are the reasons for the conference breaking up. I will give you my own opinion, and I am not alone in this opinion; it is that the U-2 incident was not a reason for the breaking up of the conference by Mr. Khrushchev, but an excuse. I talked to the President by telephone today in Paris and he indicated that was his view and the view of other allied leaders to whom he had talked when he said, in effect, that the conference was broken up by Mr. Khrushchev for apparently contrived reasons.

What were the real reasons, then? We can only guess; I can only report to you what many of those who are experts in this field have projected as possible reasons for Mr. Khrushchev's actions in torpedoing the summit conference as he did.

First, there is the possibility that he may be under pressure economically in his own country and that he needed a "foreign devil," so to speak, to blame for the distress that may have been developing, and to excuse his government from failing to provide more consumer goods for his people. Second, there are those who believe that a possible reason for his acting as he did was pressure that he was under from Stalinists or extremists within the Soviet Government, who had never liked his line of so-called "peaceful coexistence" and "peaceful competition" and believe that a more aggressive line should be adopted. Third, there are those who believe that he may even be under some pressure from his Chinese ally, Mao Tse-tung, who publicly has indicated that he does not agree with Mr. Khrushchev in the "peaceful coexistence" line which Mr. Khrushchev had been following prior to the summit conference. There are others who believe that one of the reasons why he broke up this conference was that he was convinced, by reason of what President Eisenhower, President de Gaulle and Prime Minister Macmillan had said in the past few weeks, that he, Mr. Khrushchev, would be unable to get his way on the Berlin question; and that believing he was not going to get his way on the Berlin question; because of our firm position, in which we would be joined by our allies, he felt it was best not to participate in the conference at all, so that he would be free to act unilaterally.

These are some of the reasons that have been suggested. But whatever the reasons are, I will again repeat what I said at the outset: That the majority opinion seems to be that the real reason does not lie in the fact that the U-2 incident was so shocking to him.

Now if I may go to a second point. I believe that Mr. Khrushchev, in making his announcement that he was going to break up the summit conference, and in attempting to convince the world that he was doing it because of the U-2 incident, made three major mistakes in judgment.

One, he misjudged the intelligence and sophistication of the leaders of the world and the people of the world. These leaders and people could certainly not be taken in to believe that Mr. Khrushchev, who to put it in understatement is a master of espionage activities, would be so shocked to find that the United States was attempting to obtain information with regard to surprise attack in any method by which that information could be obtained. Certainly, I would think that most impartial observers would say he was the last person who would show shocked surprise at espionage activities. And so he misjudged the action and the temper of the world's leaders and people. Dispatches from all over the world indicate this because, although for a few days after the U-2 incident first hit the world's headlines there was support for Mr. Khrushchev, when he used this incident as an excuse for breaking up the conference, then that support drifted away;

now there seems to be almost unanimous condemnation of him as the one solely responsible for this action. This was his first mistake in judgment.

His second was in misjudging the President himself. Apparently Mr. Khrushchev thought that he, in effect, would be able to blackmail the President, to bully him, by threatening to break up the conference unless the President apologized for attempting to defend the United States through surveillance by aerial activities and also punished those who were responsible. The President would not pay this price, in my opinion properly could not pay such a price. He refused to apologize under the circumstances which Mr. Khrushchev had laid down in his conditions for his participation in the conference. And so he misjudged the President and the President's determination in this area.

In addition, Mr. Khrushchev, I believe, misjudged the character of the American people. And I speak now not as a Republican, or as a party leader, but as an official of this Government and as an American citizen. When he tried to imply, as he did, that by waiting for 6 or 7 months to pass and for the American election to occur, that the American electorate then might select as President of the United States another individual who would take a different line with regard to his threats than President Eisenhower was taking, I think he misjudged the American people and he misjudged both the great American political parties.

Because, my friends, we know that the great majority of Americans—regardless of their partisan affiliates—resents any attempt by Mr. Khrushchev, or anybody else outside this country, to interfere in an American election in such a flagrant and arrogant way. And second, I think we would all agree that regardless of party, Americans believe in the cause of peace with justice which the President was representing at Paris; and Americans believe that the President of the United States was fully justified in adopting a course of action to protect this country from another Pearl Harbor surprise attack through aerial surveillance.

I do not suggest that the conduct of the administration in this—or any other area—has been without mistakes. I only suggest that as far as the basic policies and the basic attitudes of the American people are concerned, we stand united against attempts by outsiders to interfere with our elections and for the principles of freedom, peace with justice, and the right of self-determination for the 2,500,000 people of Berlin and others throughout the world.

And so, having analyzed the events to date, may I turn to the future. What will happen now? What will Mr. Khrushchev do—and what should we do? Again, we are in the area of conjecture. I would first say that as far as Mr. Khrushchev is concerned, no one can predict what he will do on Berlin, or with regard to the disarmament conferences that have been going on, or with regard to the conferences on atomic tests, until at least a few days have passed and he is able to assess world opinion. Because one thing I have noted about Mr. Khrushchev, and one thing other observers have noted, is that he is very sensitive to world opinion, particularly the opinion in the so-called uncommitted areas of the world. I think Mr. Khrushchev will have to have his assessment of that opinion in mind as he develops his course of action for the future. If he does not have that in mind, he could lose many of the gains and the advantages that he presently thinks he has in the ideological conflict going on in the uncommitted countries of the world—between communism on the one side and the forces of freedom on the other.

Second, does Mr. Khrushchev want war? My answer is: I do not believe so. I share

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: Senate began debate on wheat bill. Senate passed multiple use forestry management bill. Senate subcommittee voted to report housing bill. House conferees appointed on agricultural appropriation bill.

SENATE

1. WHEAT. Began debate on S. 2759, the Ellender wheat bill (see Digest 80 for a summary of the provisions of the bill) (pp. 11232-50). Agreed to a technical amendment by Sen. Johnston to renumber certain sections of the bill (p. 11238). Agreed to a unanimous-consent request by Sen. Johnson to limit debate on any amendment to 1 hour, and to limit debate on the question of final passage to 2 hours (p. 11236). Several Senators submitted amendments intended to be proposed to the bill (p. 11202).
2. FORESTRY. Passed without amendment H. R. 10572, to direct the Secretary of Agriculture to administer the national forests for multiple use and sustained yield of their several products and services. The bill provides recognition in one single statute that the national forests provide watershed, timber, range, outdoor recreation, and fish and wildlife values, and declares that it is the policy of the Congress that the national forests are established and are to be administered for such purposes. This bill will now be sent to the President. pp. 11212-22
3. HOUSING. The Housing Subcommittee of the Banking and Currency Committee voted to report to the full committee an omnibus housing authorization bill. The "Daily Digest" states that, as approved by the subcommittee, the bill "would provide total funds of \$1.58 billion, which sum would include (1) \$500 million for

college housing, (2) \$350 million for urban renewal, (3) \$100 million for public facility loans, and (4) \$175 million for FNMA special assistance program, of which \$150 million would be for the President's fund, and \$25 million for the cooperative program." p. D520

4. FOREIGN AID. Sen. Humphrey urged support for his proposal to establish a White Fleet of mercy ships to provide emergency relief, including food supplies, to disaster areas abroad. pp. 11228-9

HOUSE

5. AGRICULTURAL APPROPRIATION BILL, 1961. House conferees were appointed on this bill, H. R. 12117, with permission granted to file report by midnight tonight, June 9. (p. 11252). Senate conferees have been appointed.
6. FOREIGN AID. The Banking and Currency Committee reported without amendment H. R. 11001, to provide for the participation of the U. S. in the International Development Association (H. Rept. 1766). p. 11305
7. WATER RESOURCES. The Public Works Committee reported without amendment H. R. 12467, granting the consent and approval of Congress to the northeastern water and related land resources compact (H. Rept. 1767). p. 11305
8. INTERNATIONAL DAM. The Rules Committee granted a rule for the consideration of H. R. 12263, to authorize the conclusion of an agreement for the joint construction by the U. S. and Mexico of a major international storage dam on the Rio Grande. pp. 11297, 11305
9. BANKING AND CURRENCY. The Banking and Currency Committee voted to report (but did not actually report) H. R. 12346, to extend for two years the authority of the Federal Reserve banks to purchase U. S. obligations directly from the Treasury. p. D522
10. PERSONNEL. A subcommittee of the Government Operations Committee voted to report to the full committee H. R. 12273, to provide for the payment of travel and transportation costs for persons selected for appointment to certain Federal positions. p. D522
A subcommittee of the Post Office and Civil Service Committee voted to report to the full committee S. 2857, to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under such Act. p. D523
11. PURCHASING; CONTRACTS. The Subcommittee on Executive and Legislative Reorganization of the Government Operations Committee voted to report to the full committee H. R. 12496, to amend the "Anti-Kickback" statute to extend its provisions to all negotiated contracts. p. D522
12. FARM PROGRAM. The "Daily Digest" states that the Rules Committee "held a hearing but took no action to grant a rule" on H. R. 12261, the Poage farm bill. p. D523
13. HEALTH BENEFITS. Rep. Teller criticized the Civil Service Commission's administration of the Federal Employees Health Benefits Act, stating that the Commission "has ignored Secretary Flemming's facts of medical costs in creating this monstrosity of plans -- each of them ... more expensive than parallel coverage now carried under private and group coverage ... Federal Workers," and suggested

House of Representatives

WEDNESDAY, JUNE 8, 1960

The House met at 12 o'clock noon.

Dr. Clarence Cranford, pastor, Calvary Baptist Church, Washington, D.C., offered the following prayer:

Our Father in heaven, we can never thank Thee enough for the privilege of living in this land of liberty where we know that the concept of liberty is as real around us as the air we breathe. Help us always to be worthy of it, always dedicated to the principles that make it work. We realize, our Father, that what people do is determined by what they think, and so we pray that our thoughts may be guided so that we may do that which makes for peace. May we not be discouraged by past failures. May we never be lulled into complacency by past accomplishments, but recognizing the urgency of this hour, may we dedicate ourselves anew to the principles on which our Nation was founded that we, too, may make a contribution toward making our Nation strong and great and wonderful. We pray in Thy name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10644. An act to amend title V of the Merchant Marine Act, 1936, in order to change the limitation of the construction differential subsidy under such title.

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 3102. An act to strengthen the domestic and foreign commerce of the United States by providing for the establishment of an Office of International Travel within the Department of Commerce and a Travel Advisory Board; and

S.J. Res. 168. Joint resolution designating the week of October 2-8, 1960, as National American Guild of Variety Artists Week.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5421) entitled "An act to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes."

APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION, 1961

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. WHITTEN, MARSHALL, CANNON, ANDERSEN of Minnesota, and TABER.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the conferees may have until midnight tomorrow night to file a report on the bill H.R. 12117.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PROVIDING PROGRAM OF ASSISTANCE FOR CONSTRUCTION OF FISHING VESSELS

Mr. BONNER. Mr. Speaker, I call up the conference report on the bill (H.R. 5421) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 4, 1960.)

Mr. MACDONALD. Mr. Speaker, I urge adoption of the conference report on H.R. 5421. It was my pleasure on March 9, 1959, to introduce H.R. 5421, a bill designed to provide a program of assistance for the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status. This bill passed the House on August 26, 1959, by a recorded vote of 272 to 108. On September 11, 1959, the measure passed the Senate

amended by a vote of 55 to 30. Conferees were appointed and yesterday the Senate adopted the conference report.

Mr. Speaker, H.R. 5421, as it passed the House, called for a Government vessel construction subsidy not to exceed 33 1/3 percent of total costs. It authorized \$1 million annually for a period of 3 years. It also limited grants to a vessel to be operated in a fishery suffering injury from which escape clause relief was recommended by Tariff Commission but denied by Executive decision. The Senate bill also created a Government vessel construction subsidy not to exceed 33 1/3 percent of total costs. It authorized \$5 million annually for a period of 3 years. The Senate bill struck out the clause in the House bill "vessel must be operated in a fishery for which tariff relief was recommended, but denied by President." In other words, any citizen in any segment of the industry may apply. Vessels must be manned by Americans or naturalized citizens. It also provides that proposed plans and specifications must be submitted to the Defense Department and Navy for incorporation of defense features. The Senate bill further provided that the vessel's catch must be delivered to an American port; that the vessel must be documented under laws of the United States; and the defense features incorporated in vessel construction is not included in subsidy grants.

The compromise agreed upon by the conferees contains the following principal features:

First. A fishing vessel subsidy of up to one-third the cost of construction, if built in a U.S. shipyard under approval of the Department of Defense.

Second. The Federal subsidy shall be \$2.5 million per year for 3 years.

Third. Eligible are those building vessels operated in a fishery for which escape clause relief had been recommended by the Tariff Commission but denied under the Trade Agreements Assistance Act and to certain fisheries found by the Secretary of the Interior to be injured by increased imports of fish or shellfish products.

Mr. Speaker, this means that the House conferees accepted the Senate bill's condition about the boats being built under approval of plans and specifications of the Department of Defense so that the vessels could be converted without delay to U.S. Navy use in the event of war. The Senate conferees agreed to the House language as to those who could apply for the subsidies. The annual appropriation asked in the Senate bill was \$5 million per year for 3 years and in the House bill \$1 million per year for 3 years. The conferees compromised on \$2.5 million per year for 3 years.

NOMINATIONS

Executive nominations received by the Senate, June 8, 1960:

U.S. ATTORNEY

George M. Yeager, of Alaska, to be U.S. attorney for the district of Alaska for the term of 4 years, vice a new position.

U.S. PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR PERMANENT PROMOTION

To be medical directors

James L. Baker	Shih Lu Chang
Wade H. Etheridge	Paul Q. Peterson
William G. Hollister	George Brecher
J. Frederick Bell	John C. Hume
Paul A. Pamplona	Thomas D. Dublin
James O. Davis	Huston K. Spangler
George Adams	James D. Wharton
Leon A. Witkin	Bruce Underwood
Benjamin J. Chester	U. Pentti Kokko
Elijah M. Nadel	Arthur C. Curtis
Clinton C. Powell	Bohdan G. Giel
R. Carl Millican	Herbert A. Hudgins
Emil E. Palmquist	John D. Porterfield
Henry C. Huntley	Richard H. Linn
Harry A. Sauberli	Clarke W. Mangun, Jr.

To be senior surgeons

William A. Walter, Jr.	Katherine M. Herrold
Carl G. Baker	Leroy E. Duncan, Jr.
Gerald D. Barton	Stephen Hajdu
Arnold W. Pratt	Jack Orloff
Robert W. Hartley	Howard C. Goodman
Roger M. Cole	Erwin S. Rabeau

To be surgeons

Bertha L. Moore	Roy P. Sandidge, Jr.
Donald L. Toker	Leo Nakayama
William B. Barr	Philip E. Morgan
William M. Smith	Donald P. Tschudy
John T. West	John L. Fahey
William E. Newby	Donald E. Kayhoe
David J. Crosby	Leonard Laster
Gordon Allen	Martha Vaughan
Edward J. Leonard	William S. Richards, Jr.
Tamarath K. Yolles	Robert T. Scholes
Donald L. Fry	James H. Shindel
Richard H. Thurm	Jacob Robbins
Harald S. Frederiksen	Tom D. Y. Chin
Warren P. Jurgensen	Michael Potter
David P. Rall	
Murray Goldstein	

To be senior assistant surgeon

Arthur Maron

To be dental directors

Howard K. Wyatt	David B. Scott
Carl E. Johnson	Maurice Costello

To be dental surgeons

Joseph Abramowitz
Donald M. Phillips

To be senior assistant dental surgeons

Walter J. Rubinstein	Malcolm D. Lindeman
Harold E. Rosenau	Richard W. Kristensen
Lowell W. Smith	Robert E. Mecklenburg

Leland S. Scott
John H. Holt
Richard J. Schilling
Ike Slodov
Robert K. Parkinson
Robert E. Drury
Rex A. Warnick
Irwin I. Ship
Richard T. White
Vernon E. Burge

To be sanitary engineer directors

Eugene L. Lehr	Henry N. Doyle
Thomas H. Seltzer	Leonard B. Dworksy
Frederick C. Roberts, Jr.	Sylvan C. Martin
Arthur H. Neill	Howard W. Spence
Elroy K. Day	Floyd B. Taylor
Oliver R. Placak	John D. Faulkner
William W. Payne	Lawrence B. Hall
Howard W. Chapman	Ernest P. Dubuque
William E. Holy	John R. Thoman
Richard J. Hammerstrom	Frank A. Butrico
	Bernard B. Berger
	Louis F. Warrick

To be senior sanitary engineers

Frederick K. Erickson
Arve H. Dahl
Richard P. Lonergan

To be sanitary engineers

Albert L. Platz	Howard E. Ayer
Frederick Nevins	James P. Sheehy
Leland J. McCabe, Jr.	Frank A. Bell, Jr.
George R. Shultz	Charles C. Johnson, Jr.
Paul W. Eastman, Jr.	Joseph M. Dennis
Morton I. Goldman	William H. Megonnell
Donald M. Keagy	

To be senior assistant sanitary engineers

Harry C. Vollrath III	Parker C. Reist
James C. Meredith	Gerald G. Vurek
S. David Shearer, Jr.	Carl M. Walter
Robert V. Thomann	Jules B. Cohen
Gerald M. Hansler	Richard Anderson
Robert G. Bostrom	

To be assistant sanitary engineers

Ronald J. Harroon
Phillip E. Searcy

To be pharmacist directors

J. Solon Merdell
Reid M. Hovey

To be senior pharmacist

William E. Dudley.

To be pharmacists

Paul H. Honda	Adelbert E. Briggs
Boris J. Osheroff	Edward J. Vesey
Lowell R. Pfau	Felix A. Conte

To be senior assistant pharmacists

Lawrence D. Smith	Robert E. McKay
James R. Grigdesby	Paul O. Fehnel, Jr.
William H. Briner	Walter J. Ludwig

To be scientist directors

H. Page Nicholson	Libero Ajello
Robert E. Serfling	Isadore Zipkin
Alan W. Donaldson	James E. Birren

Gene H. Willskie
Tomm H. Pickles
Robert D. Amott
Paul Favero
Frederick L. Strammer
William H. Dahlberg
Edward J. Strow, Jr.
Gerie Hillstead
William H. Hancock
Ronald Dubner

Morris B. Ettinger
Herbert A. Sober

Malcolm S. Ferguson
Arthur L. Schade

To be senior scientists

Sanford M. Birnbaum
Melvin H. Goodwin, Jr.

To be scientists

James B. Longley	Harry T. Miles, Jr.
Myron J. Willis	John W. McDowell

To be senior sanitarian

William C. Miller, Jr.

To be veterinary officer director

Frank A. Todd

To be senior veterinary officer

Ernest S. Tierkel

To be veterinary officer

Keith T. Maddy

To be senior assistant veterinary officers

Charles W. McPherson	Gerald L. VanHoosier, Jr.
John E. Holman, Jr.	
James L. McQueen	

To be nurse directors

Mabelle J. Markee	Alice E. Herzig
Genevieve R. Soller	

To be senior nurse officer

Elsie E. Richardson

To be nurse officers

Lydia K. Oustalan	Janet L. Fitzwater
Helen Solomon	Helen M. Hanlon

To be senior assistant nurse officer

Jean A. McCollum

To be assistant nurse officer

Margaret J. Howe

To be dietitian director

Fonda L. Dickson

To be assistant therapists

James R. Walcher
James D. Ebner

To be health services director

Robert Johnston

To be senior health services officer

John A. O'Donnell

To be health services officer

Mary P. Byrd

To be senior assistant health services officer

Kenneth F. Hunt

II. FOR APPOINTMENT

To be senior surgeons

John J. Brennan
Frank B. Rogers

To be surgeons

Joseph Cochran
Enrico A. Leopardi

To be senior assistant surgeon

Vincent A. Di Scala

To be senior assistant dental surgeon

Glen D. Elliott

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HIGHLIGHTS: Conferees agreed to file conference report on agricultural appropriation bill. House committee reported mutual security appropriation bill. Sen. McCarthy introduced and discussed farm labor bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1961. The "Daily Digest" states that conferees agreed to file a conference report on this bill, H. R. 12117. p. D543
2. CIVIL DEFENSE; OCDM. Both Houses received the annual report of the Office of Civil and Defense Mobilization. pp. 11486, 11601
3. CREDIT UNIONS. Both Houses received a report on a study made by the Director of the Bureau of Federal Credit Unions on the desirability of providing for federally chartered central credit unions. pp. 11486, 11601
4. MUTUAL SECURITY APPROPRIATION BILL, 1961. The Appropriations Committee reported without amendment this bill, H. R. 12619 (H. Rept. 1798). p. 11601
Rep. Arends urged the Appropriations Committee to provide the funds requested by the President for mutual security stating it is a "question of our own safety ... a fundamental part of our own defense." p. 11569
Reps. Gross and Hays supported cuts in the mutual security appropriations. pp. 11569-70
Rep. Coffin made an "informal report" on the "operations and structure of the Development Loan Fund" stating it has "strategic importance" and urging Congressional support. pp. 11591-4

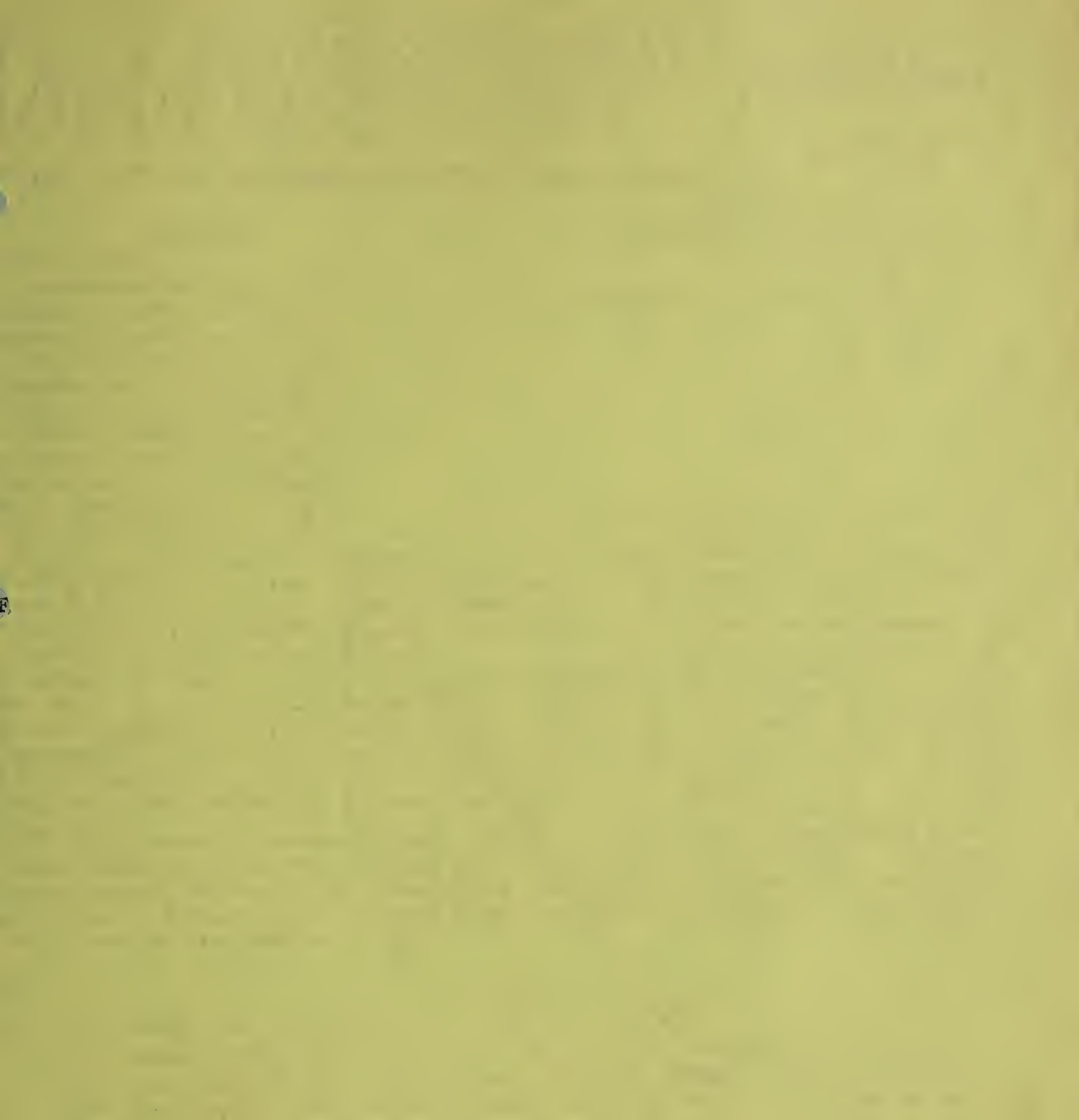
5. PERSONNEL. Received the President's veto message on H. R. 7577, providing for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment (H. Doc. 415). p. 11570

A subcommittee of the Post Office and Civil Service Committee voted to report to the full committee H. R. 7810, to credit periods of internment during World War II to certain Federal employees of Japanese ancestry for retirement and annual and sick leave purposes. p. D542

Passed as reported H. R. 12520, to authorize Group Hospitalization, Inc., to enter into contracts with certain dental hospitals for the care and treatment of individuals. (p. 11576) Earlier the D. C. Committee reported this bill with amendment (H. Rept. 1792). p. 11601

SENATE

6. LEGISLATIVE BRANCH APPROPRIATION BILL, 1961. A subcommittee of the Appropriations Committee marked up and approved for full committee consideration this bill, H. R. 12232. p. D540
7. ADMINISTRATIVE ORDERS; FOOD ADDITIVES. The Judiciary Committee reported without amendment H. R. 7847, to make the uniform law relating to the record on review of agency orders applicable to the judicial review of orders issued under the Federal Aviation Act of 1958 and the Food Additives Amendment of 1958 (S. Rept. 1566). p. 11487
8. VEHICLE INSURANCE; EXTENSION SERVICES. Both Houses received from this Department a proposed bill to facilitate the administrative operations of this Department by authorizing the Department to purchase insurance coverage on its vehicles in foreign countries, and to extend authority to use Federal supply schedules and GSA stores to the State Extension Services; to S. Agriculture and Forestry and H. Agriculture Committees. pp. 11486, 11601
9. SUGAR. Received from this Department a proposed bill to amend the Sugar Act of 1948 for the purpose of deleting the words "the Territory of" in the light of the admission of the State of Hawaii into the Union; to Finance Committee. p. 11486
10. PERSONNEL; TAXATION. Conferees were appointed on H. R. 4283, to amend the District of Columbia Income and Franchise Tax Act of 1947 so as to provide that certain officers of the executive branch of the Federal Government appointed by the President and confirmed by the Senate shall be exempt from the act. House conferees have already been appointed. p. 11560
11. RECLAMATION. Received a message from the President returning, as requested by the House and Senate, the enrolled bill S. 1892, to authorize the Secretary of the Interior to construct, operate, and maintain the Norman, Okla., reclamation project. p. 11485
12. FEDERAL AID. Sen. Bridges inserted an editorial and an article discussing Federal aid programs, including a table prepared by the Tax Foundation, Inc., listing Federal grants for agriculture and other purposes. pp. 11510-11
13. FOREIGN AID. Sen. Engle urged that the U. S. provide greater economic assistance to the countries of Asia. pp. 11553-7
14. FARM PROGRAM. Several Senators paid tribute to Senator Martin, who is retiring from the Senate after this session of Congress, including his service to agriculture. pp. 11513-21



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HIGHLIGHTS: House received conference report on agricultural appropriation bill. Senate committees reported: Housing bill; Labor-HEW appropriation bill; bill to extend Defense Production Act. House Rules Committee cleared bill for use of color additives in food. Sen. Aiken praised Foreign Agricultural Service. Rep. Hoeven introduced and discussed sugar bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1961. Received the conference report on this bill, H. R. 12117 (H. Rept. 1863) (pp. 11698-700, ~~11701~~). Attached to this digest is a copy of the conference report and a summary of the action of the conferees.
2. PERSONNEL. The Judiciary Committee reported without amendment H. R. 12620, to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment (H. Rept. 1863) (p. 11701). The "Daily Digest" states that this bill is a clean bill reported by the committee to overcome the objections contained in the President's veto of H. R. 7577. p. D550
3. COLOR ADDITIVES; HAZARDOUS SUBSTANCES. The Interstate and Foreign Commerce Committee reported with amendment S. 1283, to regulate the interstate distribution and sale of packages of hazardous substances intended or suitable for household use (H. Rept. 1861). p. 11701

The Rules Committee reported a resolution for consideration of H. R. 7624, to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs and cosmetics in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used. p. 11701

4. RECREATION. The Public Works Committee reported with amendment H. R. 900, to provide that 75% of all moneys derived by the U. S. from certain recreation activities in connection with lands acquired for flood control and other purposes shall be paid to the State (H. Rept. 1821). p. 11700
The Public Works Committee reported without amendment H. R. 12539, to authorize the Secretary of the Army, with the consent of Congress, to acquire lands and to establish facilities necessary for recreational purposes in connection with reservoir projects constructed with Federal funds (H. Rept. 1862). p. 11701
5. EDUCATION. The Agriculture Committee reported without amendment H. R. 10876, to increase the appropriation authorization for resident teaching grants to land-grant institutions (H. Rept. 1854). p. 11700
6. PUBLIC DEBT. The Banking and Currency Committee reported without amendment H. R. 12346, to extend for two years the authority of the Federal Reserve banks to purchase U. S. obligations directly from the Treasury (H. Rept. 1825). p. 11700
7. WILDLIFE. The Judiciary Committee reported with amendment H. R. 10598, to clarify certain provisions of the Criminal Code relating to the importation or shipment of injurious mammals, birds, amphibians, fish, and reptiles, and relating to the transportation or receipt of wild mammals or birds taken in violation of State, National or foreign laws (H. Rept. 1823). pp. 11700-1
8. LANDS. Received from the Defense Department proposed legislation to provide for the withdrawal from the public domain of lands in the Ladd-Eielson, Big Delta, and Granite Creek areas of Alaska; to Interior and Insular Affairs Committee. p. 11700
9. WATER DEVELOPMENT. The Public Works Committee reported without amendment H. R. 12564, to authorize multiple-purpose development at Victory Reservoir site, Vt. (H. Rept. 1830). p. 11700
10. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee voted to report to the full committee H. R. 12336, to amend the Classification Act of 1949 with respect to the preservation of basic compensation in downgrading actions. p. D550
11. MUTUAL SECURITY. Rep. Yates criticized the Appropriations Committee's action against the use of funds to carry out the provisions of the Mutual Security Act relating to the U. S. contribution toward settlement of the Indus River Basin controversy between India and Pakistan. p. 11688
Rep. Conte agreed with Rep. Yates' criticism and stated that he would offer an amendment to "delete this limitation." pp. 11694-6
12. FOREIGN TRADE. Rep. Bray urged support for a resolution which would express the sense of Congress that no further tariff reductions be granted by the U. S. in forthcoming tariff negotiations. p. 11689

UNITED STATES DEPARTMENT OF AGRICULTURE

Conference Report on the Department of Agriculture and Farm Credit Administration Appropriation Bill, 1961

[Note.--Amounts for 1960 are adjusted for comparability with the appropriation structure provided in the 1961 Conference Report and include all supplemental appropriations to date. Amounts in brackets not included in totals.]

Agency or Item	Appropriations: and Loan : Authorizations, : 1960	Budget : Estimates, : 1961	House : Bill, : 1961	Senate : Bill, : 1961	Conference : Report, : 1961
ANNUAL APPROPRIATIONS FOR REGULAR ACTIVITIES:					
Agricultural Research Service:					
Salaries and expenses:					
Research	: a/ \$67,721,590:	\$68,981,700:	\$67,934,000:	\$70,247,600: a/	\$68,827,200
Plant and animal disease and pest control, and meat inspection	: 71,125,500:	70,338,300:	73,573,000:	73,798,000:	73,798,000
Salaries and expenses (Special foreign currency program)	: 12,056,500:	15,131,500:	15,131,000:	15,131,000:	15,131,000
Construction of facilities	: - -:	900,000:	- -:	3,700,000: c/	2,550,000
State Experiment Stations (prin- cipally payments to States)	: 31,803,708:	32,803,708:	31,803,000:	32,803,708:	32,803,000
Extension Service (principally payments to States)	: 64,123,222:	67,424,967:	66,335,000:	68,441,000:	67,431,000
Soil Conservation Service	: 133,147,000:	135,632,000:	143,132,000:	148,132,000: d/	146,132,000
Agricultural Conservation Program Service	: 241,500,000:	242,600,000:	242,000,000:	242,000,000: e/	242,000,000
Agricultural Marketing Service:					
Marketing research and service, and payments to States	: 42,662,100:	44,336,900:	17,510,000:	44,379,900:	44,289,900
School lunch program	: f/ 110,000,000:	110,000,000:	110,000,000:	110,000,000: f/	110,000,000

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Foreign Agricultural Service:																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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- a/ In addition, 1960 and 1961 Acts authorize reappropriation of \$1,000,000 of prior year funds to provide for additional labor to be employed to strengthen the work at research laboratories in the field.
- b/ Represents allocations by the Budget Bureau of foreign currencies accruing from sales of agricultural commodities under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480).
- c/ Reported in technical disagreement; a motion will be offered to agree to the above amount.
- d/ In addition, under the appropriation for "Conservation operations," Act authorizes reappropriation of \$600,000 of 1960 funds to employ conservation aides and other nonprofessional personnel on a part-time or contract basis.
- e/ 1960 and 1961 Acts provide \$250 million advance authorization for the succeeding year's program.
- f/ In addition, the Appropriation Acts provide that the following amounts shall be transferred from Section 32 funds for purchase of agricultural commodities for distribution to schools: 1960, \$43,657,248; 1961, \$45,000,000.
- g/ Includes reserve authorization of \$25,000,000 for rural telephone loans which it is anticipated will be used in 1960, and excludes reserve authorization of \$25,000,000 for electrification loans. Including the carryover of funds from prior years, it is estimated that rural electrification loans totalling \$245,000,000 and rural telephone loans totalling \$105,000,000 will be made in fiscal year 1960.
- h/ In addition, Act provides a contingency authorization of \$60,000,000 for each of the rural electrification and rural telephone loan programs.
- i/ Includes anticipated use of reserve authorization of \$20,000,000.
- j/ In addition, Act provides a contingency authorization of \$40,000,000 of which not to exceed \$5,000,000 may be used for farm ownership loans and the balance for farm operating loans.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT
ADMINISTRATION APPROPRIATION BILL, 1961

JUNE 14, 1960.—Ordered to be printed

Mr. WHITTEN, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H.R. 12117]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5 and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 11, 12, 15, 17, 18, 19, 20, 24, 31, and 32, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$68,827,200; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$32,053,000; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$32,553,000; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$55,220,000; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$56,715,000; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,265,000; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$35,000,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$16,515,000; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$940,000; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$330,000,000; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$31,050,000; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,050,000; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,488,000; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert *one hundred seventy-four thousand and seven hundred and thirty-six*; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert *eighty-seven thousand and three hundred and sixty-eight*; and the Senate agree to the same.

Amendment numbered 30:

That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$67,300; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4 and 6.

JAMIE L. WHITTEN,
FRED MARSHALL,
CLARENCE CANNON,
H. CARL ANDERSEN,
JOHN TABER,

Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
LISTER HILL,
A. WILLIS ROBERTSON,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,
HENRY C. DWORSHAK,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

Amendment Nos. 1 and 2—*Research*: Appropriate \$68,827,200 instead of \$67,934,000 as proposed by the House and \$70,247,600 as proposed by the Senate. The amount agreed to includes the following increases above the funds approved by the House:

(1) \$500,000 for research on spray residues, making a total of \$750,000 additional for this purpose;

(2) \$250,000 for utilization research, making a total increase of \$950,000 for this purpose;

(3) A total of \$272,500 for advance staffing of the cotton insect research laboratory and for additional research at three branch stations;

(4) \$60,000 for initial staffing of two corn insect laboratories authorized last year;

(5) \$350,000 for increased vegetable crops research;

(6) \$75,000 for the Newell, S. Dak., research station;

(7) \$20,000 for research on weeds of sugarcane at Houma, La.;

(8) \$25,000 for pecan insect research at Albany, Ga.;

(9) \$25,000 for research studies on salt cedars and other phreatophytes;

(10) \$60,000 to increase poultry disease research at Athens, Ga.;

(11) \$455,700 for staffing soil and water laboratories, which provides a total of \$40,000 for the Humboldt River watershed in Nevada and \$200,000 to expand research on hydrology problems in Oklahoma.

Amendment No. 3—*Plant and animal disease and pest control*: Appropriates \$52,236,000 as proposed by the Senate instead of \$52,011,000 as proposed by the House.

Amendment No. 4—*Plant and animal disease and pest control*: Reported in disagreement.

Amendment No. 5—*Special fund*: Restores House language stricken by the Senate.

Amendment No. 6—*Construction of facilities*: Reported in disagreement. The managers on the part of the House intend to offer a motion to recede and agree to the sum of \$2,550,000 instead of \$3,700,000 as proposed by the Senate. The amount agreed to provides funds for various research facilities as follows:

(1) \$300,000 for initiating construction of the main laboratory and headquarters at the National Arboretum at a total cost of not to exceed \$1,500,000;

(2) \$250,000 for tobacco research facilities as provided in the House bill;

(3) \$300,000 for planning and initiating construction of a facility at Athens, Ga., at not to exceed a total cost of \$950,000 to conduct research on diseases and related problems affecting poultry;

(4) \$200,000 for planning and initiating construction of a laboratory at not to exceed a total cost of \$400,000 at Mississippi State University to conduct research in management and structures in relation to the prevention and control of disease and related methods of improving poultry quality in the Southeast;

(5) \$300,000 for planning and initiating construction of a laboratory at not to exceed a total cost of \$2,000,000 at or near the North Dakota Agricultural Experiment Station at Fargo, N. Dak., for research on metabolism of agricultural chemicals in insects, plants and livestock, and to develop sterility techniques for control of insects;

(6) \$250,000 for research facilities on improved practices for conservation farming and ranching at Bushland, Tex., as provided in the House bill;

(7) \$200,000 for planning and initiating construction of a laboratory at not to exceed a total cost of \$400,000 to conduct basic research on tillage, traction, and transport equipment and its effect on soil conservation at Auburn, Ala.;

(8) \$250,000 for planning and initiating construction of a laboratory at not to exceed a total cost of \$850,000 to develop technology for sound conservation practices in the Snake River Valley;

(9) \$350,000 for planning and initiating construction of a laboratory at not to exceed a total cost of \$500,000 to conduct research on plants, soil, and nutrition at Ithaca, N.Y.;

(10) \$150,000 for construction of a laboratory to study soil and water management practices of the Northwest at Pullman, Wash.

Amendment Nos. 7 and 8—*State experiment stations*: Appropriate \$32,553,000 instead of \$31,553,000 as proposed by the House and \$32,553,708 as proposed by the Senate.

EXTENSION SERVICE

Amendments Nos. 9, 10, and 11—*Payments to States and Puerto Rico*: Appropriate \$56,715,000 instead of \$55,715,000 as proposed by the House and \$57,715,000 as proposed by the Senate. The conferees have eliminated from the bill the requirement that the use of the additional funds be limited to the county level. The conferees are in accord, however, that such increase should be used in accordance

with such provision. A number of States have used the substantial increases made in this item in recent years for additional personnel at the State and county levels. Many of these States have failed to maintain the salaries of county agents at a level comparable with agents in other States. In such States the funds in this bill should be used for the present number of employees at the county level to place salaries at a level comparable with other States. Testimony before the House committee indicates that salary increases are needed in 22 States to maintain comparable levels.

Amendment No. 12—*Retirement costs for extension agents*: Appropriates \$5,961,000 as proposed by the Senate instead of \$5,875,000 as proposed by the House.

Amendment No. 13—*Federal Extension Service*: Appropriates \$2,265,000 instead of \$2,255,000 as proposed by the House and \$2,275,000 as proposed by the Senate. The extra \$10,000 is provided for the employment of an additional auditor.

SOIL CONSERVATION SERVICE

Amendment No. 14—*Watershed protection*: Appropriates \$35,000,000 instead of \$32,000,000 as proposed by the House and \$37,000,000 as proposed by the Senate. The conferees are in agreement that \$4,900,000 shall be used for investigations and planning.

Amendment No. 15—*Flood prevention*: Inserts statutory reference.

AGRICULTURAL MARKETING SERVICE

Amendment No. 16—*Marketing research and agricultural estimates*: Appropriates \$16,515,000 instead of \$16,315,000 as proposed by the House and \$16,605,000 as proposed by the Senate. The amount agreed to includes funds to initiate lamb-on-feed reports, research on vegetables in the Southeast, and a pilot operation on estimates for tomatoes and celery. The conferees agree that the full \$750,000 allowed by the House should be used to initiate the long-range program designed to modernize and improve the entire system of agricultural estimates.

Amendment No. 17: Changes punctuation.

Amendment No. 18—*Marketing services*: Appropriates \$26,579,900 as proposed by the Senate. The conferees have allowed the full budget estimate for poultry inspection. The funds so approved are for poultry inspection as proposed by the budget.

The conferees have agreed to an increase for administration of the Packers and Stockyards Act in view of the Department's increased regulatory responsibilities over livestock transactions at country points. However, concern has been expressed by livestock producers, country buyers, and local sales operators regarding the possible imposition of administrative regulations on selling and buying practices at the farm or local level which perhaps are appropriate for the larger markets but which are completely contrary to long-established and accepted customs, arrangements, and practices by parties at interest. It is the consensus of the conferees that vast differences have prevailed and will continue to prevail between sales by private

treaty or at local community sales and transactions at the organized public and terminal markets. For this reason care should be exercised in the development of applicable regulations governing livestock transactions to provide for meeting these different situations in order that the right and freedom of producers to negotiate, bargain, and decide in their best interests shall be protected.

FOREIGN AGRICULTURAL SERVICE

Amendment Nos. 19 and 20—*Salaries and expenses*: Appropriate \$4,487,000 as proposed by the Senate instead of \$4,447,000 as proposed by the House, and authorize the transfer of \$2,539,000 from section 32 funds as proposed by the Senate instead of \$2,493,000 as proposed by the House.

Amendment No. 21—*Special foreign currency program*: Eliminates language inserted by the Senate relative to the purchase of foreign currencies.

COMMODITY EXCHANGE AUTHORITY

Amendment No. 22—*Salaries and expenses*: Appropriates \$940,000 instead of \$930,000 as proposed by the House and \$941,325 as proposed by the Senate.

COMMODITY STABILIZATION SERVICE

Amendment No. 23—*Conservation reserve program*: Appropriates \$330,000,000 instead of \$310,000,000 as proposed by the House and \$335,000,000 as proposed by the Senate. Of the funds included for administrative expenses, not less than \$10,000,000 shall be used for county expenses. Reductions required under the balance of the administrative funds shall be made primarily at the Washington level.

RURAL ELECTRIFICATION ADMINISTRATION

Amendment No. 24—*Loan authorizations*: Authorizes \$60,000,000 for the contingency fund for each program as proposed by the Senate instead of \$50,000,000 as proposed by the House.

FARMERS HOME ADMINISTRATION

Amendment Nos. 25 and 26—*Salaries and expenses*: Appropriate \$31,050,000 instead of \$30,500,000 as proposed by the House and \$31,467,650 as proposed by the Senate and authorize the transfer of \$1,050,000 from the farm tenant mortgage insurance fund instead of \$1,000,000 as proposed by the House and \$1,100,000 as proposed by the Senate.

OFFICE OF INFORMATION

Amendment Nos. 27, 28, 29, and 30—*Salaries and expenses*: Appropriate \$1,488,000 instead of \$1,478,000 as proposed by the House and \$1,523,000 as proposed by the Senate and provide for the printing of 174,736 copies of the 1961 yearbook "Seeds" and the reprinting of 87,368 copies of the 1959 yearbook "Food."

COMMODITY CREDIT CORPORATION

Amendment No. 31—*Limitation on administrative expenses*: Authorizes \$45,726,000 as proposed by the Senate instead of \$44,726,000 as proposed by the House, which provides an additional \$1,000,000 for the contingency fund. The conferees are in agreement that cotton-quality evaluation and other research to be performed under CCC contracts should not be charged to this limitation. They further agree that all such research undertaken in fiscal year 1961 should be reported to the Committees on Appropriations of the House and Senate when initiated and should be provided for in the budget for fiscal year 1962.

Amendment No. 32—*Limitation on administrative expenses*: Eliminates language inserted by the House. The conferees have eliminated the following language from the bill:

Provided further, That none of the funds herein appropriated shall be used to formulate or administer any program which does not provide for maximum use of Government-owned facilities for storing surplus commodities, consistent with the economical operation of the Corporation.

The charter of the Commodity Credit Corporation states:

That nothing contained in this subsection (b) shall limit the duty of the Corporation, to the maximum extent practical consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities and arrangements of the trade and commerce in warehousing commodities * * *.

The conferees agree that commercial warehouse space for storing commodities be given preference, other things being equal; however, when existing Government storage is available and can be effectively used at less cost, taking into consideration all cost factors involved, including risk incurred, such space should be used in the interest of protecting the Treasury. Such practices as moving commodities from existing Government storage into commercial warehouse space is certainly not in the interests of protecting the assets of the Commodity Credit Corporation and is a waste of tax dollars. The conferees do not favor construction of further Government-owned storage facilities.

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expenditures made from the contingent fund of the House to pay obligations entered after enactment of the bill, so as to provide that it would not apply to obligations in being.

7. Provides that the bill would take effect 30 days after enactment. This will allow the House Administration Committee time to prepare adequate and suitable regulations as required in section 2 of this bill.

REQUEST TO WITHDRAW PAPERS

The SPEAKER pro tempore. The Chair lays before the House the following personal request.

The Clerk read as follows:

JUNE 14, 1960.

Mr. LANE requests, pursuant to rule XXXVIII, leave to withdraw from the files of the House papers in the case of Jean K. Simmons (H.R. 4825) original affidavit of Agnes Dunn, subscribed to on July 27, 1959, 86th Congress, no adverse report having been filed thereon.

THOMAS J. LANE.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

RIGHT OF UNION TO CONVENE AND ELECT ITS OFFICERS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

(Mr. HALPERN asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. HALPERN. Mr. Speaker, in line with the American tradition of democracy in action and its aspects of guaranteeing to every individual the opportunity to be heard and to express his opinion, I appeal that any duly constituted body, including unions, functioning in compliance with existing law, be assured of its basic right to convene, not only on a local level, but in national convention, and to elect its officers. I state this in response to the considerable number of letters that I have received from rank-and-file teamsters residing in my district appealing for the right to hold a convention to elect officers and adopt programs.

In answer to these letters, I wish to make my position clear. To me the important consideration is the principle of freedom of assembly and regardless of whether the members of one or a dozen groups are involved the principle should be applicable wherever rights are denied. This is a fundamental privilege guaranteed by law and specifically and clearly spelled out in recent legislation passed by Congress which states:

Equal rights: Every member of a labor organization shall have equal rights and privileges within such organization to nominate candidates, to vote in elections or referendums of the labor organization, to attend membership meetings, and to participate in the deliberations and voting upon the business of such meetings, subject to reasonable rules and regulations in such organization's constitution and bylaws.

Freedom of speech and assembly: Every member of any labor organization shall have the right to meet and assemble freely with

other members; and to express any views, arguments, or opinions; and to express at meetings of the labor organization his views, upon candidates in an election of the labor organization or upon any business properly before the meeting, subject to the organization's established and reasonable rules pertaining to the conduct of meeting: *Provided*, That nothing herein shall be construed to impair the right of a labor organization to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and to his refraining from conduct that would interfere with its performance of its legal or contractual obligations.

Every national or international labor organization, except a federation of national or international labor organizations, shall elect its officers not less often than once every 5 years either by secret ballot among the members in good standing or at a convention of delegates chosen by secret ballot.

Regardless of how one feels about the controversy surrounding any particular circumstances, it only seems fair that the rank-and-file members of trade union be given the opportunity under democratic processes to carry out their rights to convene and hold elections, as set forth under the laws.

The officers who are elected would have to comply with the requirements of the Labor-Management Act of 1959, and any derelictions from duty would subject them to the penalties of the act. Suppression of the rights of the rank and file which have been granted by Congress through legislation is not the way of America.

I hope that, wherever and whenever any instance of denial of such rights occurs, it will be remedied immediately in line with our American way of life.

FRANKLIN, KY., WINS AGAIN

(Mr. NATCHER asked and was given permission to extend his remarks at this point.)

Mr. NATCHER. Mr. Speaker, it certainly is with a great deal of pride and pleasure that I cite the fact that Franklin, Ky., has won first place in group 2 of the Kentucky Chamber of Commerce 5-year community development contest. For this victory, which attracted the competition of cities of 3,500 or more in population, an award of \$1,000 will be presented to Franklin in September at the State fair on Kentucky Chamber of Commerce Day.

This award marks the happy completion of 5 successful years of Franklin's participation in this long-range community planning contest with year-to-year continuity and certainly this city, which is the county seat of one of the outstanding counties in Kentucky—Simpson County—is fully deserving of this distinction and merits heartiest congratulations. Franklin captured three first places and two seconds over a 5-year period, and the total earnings of \$5,400 have been put to good use in furthering the community's development.

Many accomplishments have made possible this victory for Franklin—notably among these is a new junior high school building, the opening of several new industrial plants and numerous

stores, as well as the development of a number of attractive residential subdivisions. Moreover, the people of Franklin have demonstrated that they know their responsibilities as good citizens by annually cooperating in approving an adequate budget for their schools. Scrapbooks, which were also included as entries in the contests over the years, were well prepared by the Franklin Business and Professional Women's Club.

It is crystal clear that the residents of Franklin have not permitted themselves to become so absorbed in the privileges of American citizenship that they forget the responsibilities and duties that go with this blessing. I am sure that none of those who live in this fair city have ever taken their community for granted—they know that there is no magic that can automatically solve the inevitable problems that arise and so they have, as it were, adopted a "do-it-yourself" spirit to promote their city's progress and improve the local economy. These efforts have indeed brought enviable results and proved once again that communities—large and small—can always profitably take inventory of their local potentials, looking toward bolstering the economy and enhancing community conditions generally.

Franklin, Ky., is indeed fortunate in having as its mayor, Mr. Paul B. Massey, a thoroughly dedicated public official, who is equally fortunate in having highly qualified individuals serving with him in the city's government. Assisting these officials in all their endeavors are the various civic clubs, the local chamber of commerce, the Franklin Favorite, one of Kentucky's outstanding weekly newspapers, radio station WFKN, and the Franklin Industrial Board.

Certainly this small city, conspicuous for its excellent school system, lovely homes and churches, may well be proud of this latest honor and I want to reaffirm the genuine happiness that I derive in being privileged to represent Simpson County in the Congress of the United States. May the guidance of providence lead Franklin onward to even greater and brighter achievements.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BENTLEY (at the request of Mr. HALLECK), for Wednesday, June 15, on account of medical reasons.

Mr. GREEN of Pennsylvania (at the request of Mr. BYRNE of Pennsylvania), for June 14 and 15, on account of death in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONTE, for 30 minutes, today.

Mr. HALPERN, for 10 minutes, today.

Mr. PORTER (at the request of Mr. ALBERT), for 1 hour, tomorrow.

Mrs. ROGERS of Massachusetts, for 30 minutes, on Wednesday, June 15.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. NATCHER, to extend his remarks in the RECORD following the legislative program of the day and following special orders for the day.

Mr. NATCHER and to include an editorial.

Mr. BROCK and to include extraneous material.

Mr. DOYLE in six instances and in each to accompany same with extraneous material.

Mr. RIEHLMAN and to include an address.

Mr. KEOGH and to include a speech by the comptroller general of the State of New York, Arthur Levin.

Mr. VAN ZANDT and to include extraneous matter, notwithstanding that it will exceed 2 pages of the RECORD and is estimated by the Public Printer to cost \$243.

Mr. SAYLOR, to include in the remarks made in the Committee of the Whole today the proclamation of President Wilson of 1915 and the proclamation of President Roosevelt of 1938.

Mr. RIVERS of Alaska in three instances, in each to include extraneous matter.

(At the request of Mr. ALBERT and to include extraneous matter the following:)

Mr. FORAND.

Mr. FLOOD in five instances.

Mr. MULTER in two instances.

Mr. GEORGE.

Mr. KOWALSKI.

Mr. BOGGS in two instances.

Mr. BURKE of Massachusetts.

Mr. MCGINLEY.

Mr. KARTH.

Mr. BRADEMAS in five instances.

Mr. MOELLER.

(At the request of Mr. CURTIN, and to include extraneous matter, the following:)

Mr. DERWINSKI in six instances.

Mr. BARRY.

Mr. BOW in three instances.

Mr. CURTIS of Missouri in five instances.

Mr. WESTLAND in two instances.

Mrs. WEIS.

Mr. ARENDS.

Mrs. BOLTON.

Mr. DEVINE.

Mrs. ST. GEORGE.

Mr. SCHWENGEL.

DEPARTMENT OF AGRICULTURE
AND FARM CREDIT ADMINISTRATION
APPROPRIATION BILL, 1961

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 1863)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5 and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 11, 12, 15, 17, 18, 19, 20, 24, 31, and 32, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$68,827,200"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$32,053,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$32,553,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$55,220,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$56,715,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,265,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$35,000,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$16,515,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$940,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$330,000,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$31,050,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,050,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,488,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "one hundred seventy four thousand and seven hundred and thirty six"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "eighty-seven thousand and three hundred and sixty-eight"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$67,300"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4 and 6.

JAMIE L. WHITTEN,
FRED MARSHALL,
CLARENCE CANNON,
H. CARL ANDERSEN,
JOHN TABER,

Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
LISTER HILL,
A. WILLIS ROBERTSON,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,
HENRY C. DWORSHAK,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE
Agricultural Research Service

Amendments Nos. 1 and 2—Research: Appropriate \$68,827,200 instead of \$67,934,000 as proposed by the House and \$70,247,600 as proposed by the Senate. The amount agreed to includes the following increases above the funds approved by the House:

(1) \$500,000 for research on spray residues, making a total of \$750,000 additional for this purpose;

(2) \$250,000 for utilization research, making a total increase of \$950,000 for this purpose;

(3) A total of \$272,500 for advance staffing of the cotton insect research laboratory and

for additional research at three branch stations;

(4) \$60,000 for initial staffing of two corn insect laboratories authorized last year;

(5) \$350,000 for increased vegetable crops research;

(6) \$75,000 for the Newell, S. Dak., research station;

(7) \$20,000 for research on weeds of sugarcane at Houma, La.;

(8) \$25,000 for pecan insect research at Albany, Ga.;

(9) \$25,000 for research studies on salt cedars and other phreatophytes;

(10) \$60,000 to increase poultry disease research at Athens, Ga.;

(11) \$455,700 for staffing soil and water laboratories, which provides a total of \$40,000 for the Humboldt River watershed in Nevada and \$200,000 to expand research on hydrology problems in Oklahoma.

Amendment No. 3—Plant and animal disease and pest control: Appropriates \$52,236,000 as proposed by the Senate instead of \$52,011,000 as proposed by the House.

Amendment No. 4—Plant and animal disease and pest control: Reported in disagreement.

Amendment No. 5—Special fund: Restores House language stricken by the Senate.

Amendment No. 6—Construction of facilities: Reported in disagreement. The managers on the part of the House intend to offer a motion to recede and agree to the sum of \$2,550,000 instead of \$3,700,000 as proposed by the Senate. The amount agreed to provides funds for various research facilities as follows:

(1) \$300,000 for initiating construction of the main laboratory and headquarters at the National Arboretum at a total cost of not to exceed \$1,500,000;

(2) \$250,000 for tobacco research facilities as provided in the House bill;

(3) \$300,000 for planning and initiating construction of a facility at Athens, Ga., at not to exceed a total cost of \$950,000 to conduct research on diseases and related problems affecting poultry;

(4) \$200,000 for planning and initiating construction of a laboratory at not to exceed a total cost of \$400,000 at Mississippi State University to conduct research in management and structures in relation to the prevention and control of disease and related methods of improving poultry quality in the Southeast;

(5) \$300,000 for planning and initiating construction of a laboratory at not to exceed a total cost of \$2,000,000 at or near the North Dakota Agricultural Experiment Station at Fargo, N. Dak., for research on metabolism of agricultural chemicals in insects, plants, and livestock, and to develop sterility techniques for control of insects;

(6) \$250,000 for research facilities on improved practices for conservation farming and ranching at Bushland, Tex., as provided in the House bill;

(7) \$200,000 for planning and initiating construction of a laboratory at not to exceed a total cost of \$400,000 to conduct basic research on tillage, traction, and transport equipment and its effect on soil conservation at Auburn, Ala.;

(8) \$250,000 for planning and initiating construction of a laboratory at not to exceed a total cost of \$850,000 to develop technology for sound conservation practices in the Snake River Valley;

(9) \$350,000 for planning and initiating construction of a laboratory at not to exceed a total cost of \$500,000 to conduct research on plants, soil, and nutrition at Ithaca, N.Y.;

(10) \$150,000 for construction of a laboratory to study soil and water management practices of the Northwest at Pullman, Wash.

Amendments Nos. 7 and 8—State experiment stations: Appropriate \$32,553,000 in-

stead of \$31,553,000 as proposed by the House and \$32,553,708 as proposed by the Senate.

Extension service

Amendments Nos. 9, 10, and 11—Payments to States and Puerto Rico: Appropriate \$56,715,000 instead of \$55,715,000 as proposed by the House and \$57,715,000 as proposed by the Senate. The conferees have eliminated from the bill the requirement that the use of the additional funds be limited to the county level. The conferees are in accord, however, that such increase should be used in accordance with such provision. A number of States have used the substantial increases made in this item in recent years for additional personnel at the State and county levels. Many of these States have failed to maintain the salaries of county agents at a level comparable with agents in other States. In such States the funds in this bill should be used for the present number of employees at the county level to place salaries at a level comparable with other States. Testimony before the House committee indicates that salary increases are needed in 22 States to maintain comparable levels.

Amendment No. 12—Retirement costs for extension agents: Appropriates \$5,961,000 as proposed by the Senate instead of \$5,875,000 as proposed by the House.

Amendment No. 13—Federal Extension Service: Appropriates \$2,265,000 instead of \$2,255,000 as proposed by the House and \$2,275,000 as proposed by the Senate. The extra \$10,000 is provided for the employment of an additional auditor.

Soil Conservation Service

Amendment No. 14—Watershed protection: Appropriates \$35,000,000 instead of \$32,000,000 as proposed by the House and \$37,000,000 as proposed by the Senate. The conferees are in agreement that \$4,900,000 shall be used for investigations and planning.

Amendment No. 15—Flood prevention: Inserts statutory reference.

Agricultural Marketing Service

Amendment No. 16—Marketing research and agricultural estimates: Appropriates \$16,515,000 instead of \$16,315,000 as proposed by the House and \$16,605,000 as proposed by the Senate. The amount agreed to includes funds to initiate lamb-on-feed reports, research on vegetables in the Southeast, and a pilot operation on estimates for tomatoes and celery. The conferees agree that the full \$750,000 allowed by the House should be used to initiate the long-range program designed to modernize and improve the entire system of agricultural estimates.

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The conferees have agreed to an increase for administration of the Packers and Stockyards Act in view of the Department's increased regulatory responsibilities over livestock transactions at country points. However, concern has been expressed by livestock producers, country buyers, and local sales operators regarding the possible imposition of administrative regulations on selling and buying practices at the farm or local level which perhaps are appropriate for the larger markets but which are completely contrary to long-established and accepted customs, arrangements, and practices by parties at interest. It is the consensus of the conferees that vast differences have prevailed and will continue to prevail between sales by private treaty or at local community sales and transactions at the organized public and terminal markets. For this reason care should be exercised in the development of applicable

regulations governing livestock transactions to provide for meeting these different situations in order that the right and freedom of producers to negotiate, bargain, and decide in their best interests shall be protected.

Foreign Agricultural Service

Amendments Nos. 19 and 20—Salaries and expenses: Appropriate \$4,487,000 as proposed by the Senate instead of \$4,447,000 as proposed by the House, and authorize the transfer of \$2,539,000 from section 32 funds as proposed by the Senate instead of \$2,493,000 as proposed by the House.

Amendment No. 21—Special foreign currency program: Eliminates language inserted by the Senate relative to the purchase of foreign currencies.

Commodity Exchange Authority

Amendment No. 22—Salaries and expenses: Appropriates \$940,000 instead of \$930,000 as proposed by the House and \$941,325 as proposed by the Senate.

Commodity Stabilization Service

Amendment No. 23—Conservation reserve program: Appropriates \$330,000,000 instead of \$310,000,000 as proposed by the House and \$335,000,000 as proposed by the Senate. Of the funds included for administrative expenses, not less than \$10,000,000 shall be used for county expenses. Reductions required under the balance of the administrative funds shall be made primarily at the Washington level.

Rural Electrification Administration

Amendment No. 24—Loan authorizations: Authorizes \$60,000,000 for the contingency fund for each program as proposed by the Senate instead of \$50,000,000 as proposed by the House.

Farmers Home Administration

Amendments Nos. 25 and 26—Salaries and expenses: Appropriate \$31,050,000 instead of \$30,500,000 as proposed by the House and \$31,467,650 as proposed by the Senate and authorize the transfer of \$1,050,000 from the farm tenant mortgage insurance fund instead of \$1,000,000 as proposed by the House and \$1,100,000 as proposed by the Senate.

Office of Information

Amendments Nos. 27, 28, 29, and 30—Salaries and expenses: Appropriate \$1,488,000 instead of \$1,478,000 as proposed by the House and \$1,523,000 as proposed by the Senate and provide for the printing of 174,736 copies of the 1961 yearbook "Seeds" and the reprinting of 87,368 copies of the 1959 yearbook "Food."

Commodity Credit Corporation

Amendment No. 31—Limitation on administrative expenses: Authorizes \$45,726,000 as proposed by the Senate instead of \$44,726,000 as proposed by the House, which provides an additional \$1,000,000 for the contingency fund. The conferees are in agreement that cotton-quality evaluation and other research to be performed under CCC contracts should not be charged to this limitation. They further agree that all such research undertaken in fiscal year 1961 should be reported to the Committees on Appropriations of the House and Senate when initiated and should be provided for in the budget for fiscal year 1962.

Amendment No. 32—Limitation on administrative expenses: Eliminates language inserted by the House. The conferees have eliminated the following language from the bill: *Provided further*, That none of the funds herein appropriated shall be used to formulate or administer any program which does not provide for maximum use of Government-owned facilities for storing surplus commodities, consistent with the economical operation of the Corporation.

The charter of the Commodity Credit Corporation states: "That nothing contained in

this subsection (b) shall limit the duty of the Corporation, to the maximum extent practical consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities and arrangements of the trade and commerce in warehousing commodities * * *." The conferees agree that commercial warehouse space for storing commodities be given preference, other things being equal; however, when existing Government storage is available and can be effectively used at less cost, taking into consideration all cost factors involved, including risk incurred, such space should be used in the interest of protecting the Treasury. Such practices as moving commodities from existing Government storage into commercial warehouse space is certainly not in the interests of protecting the assets of the Commodity Credit Corporation and is a waste of tax dollars. The conferees do not favor construction of further Government-owned storage facilities.

JAMIE L. WHITTEN,
FRED MARSHALL,
CLARENCE CANNON,
H. CARL ANDERSEN,
JOHN TABER,

Managers on the Part of the House.

ADJOURNMENT

Mr. VANIK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 15, 1960, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2257. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

2258. A letter from the Acting Chairman, U.S. Atomic Energy Commission, transmitting a draft of proposed legislation entitled "A bill to amend section 5 of the Euratom Cooperation Act of 1958"; to the Joint Committee on Atomic Energy.

2259. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend section 960 of title 18 of the United States Code"; to the Committee on the Judiciary.

2260. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1960, submitting a report, together with accompanying papers and illustrations, on Redwood River at Marshall, Minn., requested by a resolution of the Committee on Public Works, U.S. Senate, adopted on June 20, 1957, and authorized by the Flood Control Act, approved June 22, 1936 (H. Doc. No. 417); to the Committee on Public Works and ordered to be printed with two illustrations.

2261. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to provide for the administration of unclaimed funds held and owing by life insurance companies in the District of Columbia; to the Committee on the District of Columbia.

2262. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed

legislation entitled "A bill to amend the District of Columbia Redevelopment Act of 1945, as amended, and the act approved December 20, 1944, as amended, and for other purposes"; to the Committee on the District of Columbia.

2263. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to provide for the withdrawal from the public domain of certain lands in the Ladd-Eielson area, Alaska, for use by the Department of the Army as the Yukon Command training site, Alaska, and for other purposes"; to the Committee on Interior and Insular Affairs.

2264. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to provide for the withdrawal from the public domain of certain lands in the Big Delta area, Alaska, for continued use by the Department of the Army at Fort Greely, and for other purposes"; to the Committee on Interior and Insular Affairs.

2265. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to provide for the withdrawal from the public domain of certain lands in the Granite Creek area, Alaska, for use by the Department of the Army at Fort Greely, Alaska, and for other purposes"; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. HAYS: Committee on Foreign Affairs. S. 1502. An act to provide for adjustments in the annuities under the Foreign Service retirement and disabilities system without amendment (Rept. No. 1626, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. S. 2174. An act to permit the filing of applications for patents to certain lands in Florida; without amendment (Rept. No. 1819). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 3226. An act to amend section 809 of the National Housing Act; without amendment (Rept. No. 1820). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 900. A bill to amend section 7 of the act of August 18, 1941, to provide that 75 percent of all moneys derived by the United States from certain recreational activities in connection with lands acquired for flood control and other purposes shall be paid to the State; to validate certain payment; and for other purposes; with amendment (Rept. 1821). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 2178. A bill to authorize the Secretary of the Army to make certain changes in the road at Whites Branch, Grapevine Reservoir, Tex.; with amendment (Rept. No. 1822). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. H.R. 10598. A bill to clarify certain provisions of the Criminal Code relating to the importation or shipment of injurious mammals, birds, amphibians, fish, and reptiles (18 U.S.C. 42(a), 42(b); and relating to the transportation or receipt of wild mammals or birds taken in violation of State, National, or foreign laws (18 U.S.C.

43), and for other purposes; with amendment (Rept. No. 1823). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 11813. A bill to amend the Menominee Termination Act, with amendment (Rept. No. 1824). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 12346. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; without amendment (Rept. No. 1825). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H.R. 12417. A bill to amend title 10, United States Code, to bring the number of cadets at the U.S. Military Academy and the U.S. Air Force Academy up to full strength; with amendment (Rept. No. 1826). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 12465. A bill to provide for a simpler method of determining assessments under the Federal Deposit Insurance Act, and for other purposes; without amendment (Rept. No. 1827). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 12530. A bill to authorize adjustment, in the public interest, of rentals under leases entered into for the provision of commercial recreational facilities at the John H. Kerr Reservoir, Virginia-North Carolina; without amendment (Rept. No. 1828). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 12532. A bill to provide compensation for certain property losses in the Tuttle Creek Reservoir project, Kansas; without amendment (Rept. No. 1829). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 12564. A bill to authorize multiple-purpose development at Victory Reservoir site, Vermont; without amendment (Rept. No. 1830). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 3106. An act to change the title of the Assistant Director of the Coast and Geodetic Survey; without amendment (Rept. No. 1853). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 10876. A bill to amend section 22 (relating to the endowment and support of colleges of agriculture and the mechanic arts) of the act of June 29, 1935, to increase the authorized appropriation for resident teaching grants to land-grant institutions; without amendment (Rept. No. 1854). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 3900. A bill to permit the use of foreign-built hydrofoil vessels in the coastwise trade of the Commonwealth of Puerto Rico; with amendment (Rept. No. 1855). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on Foreign Affairs. H.R. 808. A bill to authorize the Secretary of State to evaluate in dollars certain financial assistance loans expressed in foreign currencies arising as a result of World War II and for other purposes; with amendment (Rept. No. 1856). Referred to the Committee of the Whole House on the State of the Union.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of June 15, 1960
86th-2d, No. 109

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HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1961. Both Houses agreed to the conference report on this bill, H. R. 12117, and acted on amendments in disagreement (pp. 11753-5, 11821-4). This bill will now be sent to the President.

With regard to Senate amendment No. 4, both Houses agreed to a substitute amendment to provide that no funds shall be used to formulate or administer a brucellosis eradication program for the fiscal year 1963 (rather than fiscal year 1962 as proposed in the Senate amendment) that does not require minimum matching by any State of at least 40 percent.

With regard to Senate amendment No. 6, both Houses agreed to a substitute amendment to provide \$2,550,000, to remain available until expended, for ARS for construction of facilities and acquisition of the necessary land therefor by donation or exchange. The Senate amendment would have provided \$3,700,000 for this purpose.

2. PERSONNEL; PAY. By a vote of 378 to 40, passed with amendment H. R. 9883, the Federal employees pay raise bill (pp. 11789-821). Rejected, 324 to 94, a motion by Rep. Rees to recommit the bill to the Post Office and Civil Service Committee with instruction to report it back with a provision for a 5 percent increase for employees (p. 11820). Agreed to an amendment by Rep. Morrison, in the nature of a substitute for the bill as reported by the committee, which provides for a 7-1/2 percent pay increase (rather than a 9 percent increase), and increases the salaries of general counsels of executive departments (except Justice) from \$19,000 to \$20,000 per annum (pp. 11816-20). The bill also provides for increases in the pay of ASC county committee employees which would be equal, so far as practicable, to the increases provided for corresponding rates of pay applicable to other classes of employees, and extends to the ASC county committee employees coverage of the civil service retirement, Federal employees' group life insurance, and Federal employees' health benefits programs.

Passed without amendment H. R. 12620, to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment (pp. 11824). Rep. Lane stated that the bill was similar to H. R. 7577, vetoed by the President, except that it had been modified to meet the President's objections contained in his veto message.

The Government Operations Committee reported with amendment H. R. 12273, to amend the Administrative Expenses Act so as to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the U. S. (H. Rept. 1879). p. 11843

3. PROPERTY. The Government Operations Committee reported without amendment H. R. 9600, to authorize and direct the transfer of certain personal property to State and county agencies engaged in cooperative agricultural extension work (H. Rept. 1876). p. 11843

The Government Operations Committee reported without amendment H. R. 11499, to amend the Federal Property and Administrative Services Act so as to authorize the use of surplus personal property by State distribution agencies (H. Rept. 1878). p. 11843

4. CONTRACTS. The Government Operations Committee reported without amendment H. R. 12604, to amend the "antikickback statute" so as to extend its provisions to all negotiated contracts (H. Rept. 1880). p. 11843

5. POULTRY.INSPECTION. The Dairy and Poultry Subcommittee of the Agriculture Committee voted to report adversely to the full committee H. R. 11050, to amend the Poultry Products Inspection Act so as to continue the authority to exempt certain poultry inspection plants beyond June 30, 1960. p. D556

6. HOUSING. The Banking and Currency Committee voted to report with amendment (but did not actually report) H. R. 12603, to extend and amend laws relating to the preservation and improvement of housing. p. D556

7. TRANSPORTATION. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) the following bills: p. D557

S. 1509, with amendment, to amend the Interstate Commerce Act so as to provide for "grandfather" rights (preference rights for certain carriers operating in the past) for certain motor carriers and freight forwarders in Alaska;

S. 1508, to provide for the economic regulation of the Alaska Railroad under the Interstate Commerce Act;

H. R. 7937, to amend the Interstate Commerce Act so as to insure the adequacy of the National railroad freight car supply.

they project the authority of the state into the realm of belief and conscience where, according to our political tradition, it has no business; and the individual may be forced to acquit himself of crimes and offenses left so vague that he can be convicted on the mere appearance of evil if he cannot be convicted of its practice.

Experience has taught us lessons about political and religious test oaths which are all too easily forgotten. It was under the scourge of these oaths that our Protestant ancestors emigrated from England to settle in America; that our Catholic ancestors lost their lands and lives; that Sir Thomas More died telling his daughter, "It was a very hard thing to compel me to say either precisely with it against my conscience to the loss of my soul, or precisely against it to the destruction of my body"; that Puritan dissenters and Quakers went to jail, sat in the stocks and had their ears cut off.

The oaths that caused these sufferings grew to be over a page long, and, in the words of Sir Frederick Pollock, became "swollen with strange imprecations and scoldings," until in 1868 they were at last abolished in favor of the simple oath of allegiance.

"I, , do swear that I will be faithful and bear true allegiance to Her Majesty Queen Victoria, her heirs, and successors, according to law. So help me God."

These things are easily forgotten, but colleges and universities, where history is studied and the past is ever present, remember them. They were fresh in the minds of the framers of our Constitution, fresh enough for Alexander Hamilton to denounce test oaths as "a subversion of one great principle of social security, to wit: That every man shall be presumed innocent until he is proved guilty."

Their effect, said Hamilton, "was to invert the order of things, and instead of obliging the state to prove the guilt, in order to inflict the penalty, it was to oblige the citizen to establish his own innocence to avoid the penalty. It was to excite scruples in the honest and conscientious, and to hold out a bribe to perjury." All this, Hamilton concluded, was "repugnant to the true genius of the common law" and "unknown to the Constitution. * * *"

The colleges and universities recall more recent experiences with test oaths than those which began with the marital troubles of Henry VIII. They recall the oaths of religious conformity that bound the early American colleges in the 18th century and were not finally sloughed off until the 19th (by Oxford and Cambridge in the middle of the 19th)—oaths that militated against Catholics and Protestant sects dissenting from the established religion of the institution.

They recall, too, the loyalty oaths imposed by Congress in the Reconstruction period after the Civil War, of which Lincoln declared: "I have found that men who have not even been suspected of disloyalty are very averse to taking an oath of any sort as a condition to exercising an ordinary right of citizenship."

In the words of the Supreme Court (in *Ex Parte Garland*), "All enactments of this kind partake of the nature of bills of pains and penalties, and are subject to the constitutional inhibitions against the passage of bills of attainder, under which general designation they are included."

For the benefit of a generation which, fortunately for it, has less knowledge of them than the men who drafted the Constitution, bills of attainder were arbitrary bills which extinguished the civil rights of an individual and enabled the state to impose upon him such penalties as loss of property, prison, and death, without benefit of trial by jury. Bills of attainder and test oaths grew up

together in the same country, in the same period of history and, although they are not identified with one another in modern law, they partook of the same essence in their day and served the same brand of justice.

The oaths of allegiance, even without the objectionable features of the historic test oaths, can be misused as instruments of oppression was proved by Hitler. He merely required that civil servants and professors swear allegiance to him. That was all he needed to give the semblance of legality to whatever coercive steps he chose to take to compel their adherence to the Nazi Party line.

It was in no small measure his use of the oath that drove many German university professors into exile—among them many of the leading nuclear scientists who enabled the United States to produce the atomic bomb instead of Germany. They and their fellow exiles in other fields of learning, finding posts in American universities, have testified to the dangers of all oaths, however innocuous their beginning, in a way that has undoubtedly made their American colleagues sensitive to those dangers.

The colleges and universities do not believe that the oath of allegiance in the National Defense Education Act will be used as Hitler used his oath of allegiance. Indeed, as I have already said, they have accepted it. But the German experience, with its peculiarly direct and intimate significance to our college and university community, and that community's continually fresh memory of the political and religious test oaths in Anglo-American history, make it that much more anxious lest the disclaimer affidavit bend the present oath of allegiance in the direction of either. Hence it is that much more critical of the affidavit and more strongly in favor of its repeal.

Underlying this concern with test oaths, in fact underlying the whole position of the colleges and universities in this controversy, is their concern for freedom. For centuries, in Europe as well as in England and America, they have struggled for the right to pursue learning for its own sake without interference by church or state. They have done so not because they thought society owed them this right as a mark of respect or a special privilege, but because they have regarded it as a functional necessity identical with freedom of the press and similar to freedom of speech, freedom of religion, and freedom of assembly.

In this historical perspective, they see a consistent use of oaths like the disclaimer affidavit as instruments of coercion, conformism, and oppression, which are enemies of learning as much as they are opposites of freedom. If, now, our colleges and universities are to serve the cause of freedom and discharge the solemn duties with which the public, through the National Defense Education Act, has vested them, they can do so effectively only through procedures consistent with both freedom and learning.

Again and again history affords object lessons of what happens to learning when it is denied the freedom that is its natural medium. Nazi Germany is a glaring example. A nation that cannot trust its intellectuals cannot trust itself. A people that is afraid to expose its political and social institutions to the curiosity and criticism of the rising generation is not free; by whatever method it whispers this fear to itself, it shouts its insecurity to the world.

It is not the disclaimer affidavit that will make our colleges and universities bulwarks of our security, nor even the oath of allegiance, which they accept. It is our trust in them to pursue the course the Nation has set for them—a course they can pursue in freedom and in no other way.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, and that the House receded from its disagreement to the amendments of the Senate numbered 4 and 6 to the bill, and concurred therein each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL PLACED ON CALENDAR

The bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, was read twice by its title and placed on the calendar.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL—CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of June 14, 1960, p. 11698, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 12117, which was read as follows:

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes",

That the House recede from its disagreement to the amendment of the Senate numbered 4, and concur therein with an amendment, as follows: In lieu of the figure "1962" in said amendment insert "1963".

That the House recede from its disagreement to the amendment of the Senate numbered 6, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"CONSTRUCTION OF FACILITIES

"For construction of facilities and acquisition of the necessary land therefor by donation or exchange, \$2,550,000, to remain available until expended."

Mr. RUSSELL. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 4 and 6.

The motion was agreed to.

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a comparative table of appropriations for 1960, and estimates and amounts recommended in the bill for 1961.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative table of appropriations for 1960 and estimates and amounts recommended in bill for 1961

REGULAR ACTIVITIES (TITLE I)

Agency and item	Appropriations, 1960	Budget estimates, 1961	Recommended in House bill, 1961	Amount recommended in Senate bill, 1961	Conference allowance, 1961
Agricultural Research Service:					
Salaries and expenses:					
Research.....	\$67,721,590	\$68,981,700	\$67,934,000	\$70,247,600	\$68,827,200
Plant and animal disease and pest control.....	49,800,600	48,775,600	52,011,000	52,236,000	52,236,000
Meat inspection.....	21,324,900	21,562,700	21,562,000	21,562,000	21,562,000
Total, salaries and expenses.....	138,847,090	139,320,000	141,507,000	144,045,600	142,625,200
Salaries and expenses (special foreign currency program).....	12,056,500	15,131,500	15,131,000	15,131,000	15,131,000
Construction of facilities.....		900,000		3,700,000	2,550,000
State experiment stations:					
Payments to States and Puerto Rico.....	31,553,708	32,553,708	31,553,000	32,553,708	32,553,000
Penalty mail.....	250,000	250,000	250,000	250,000	250,000
Total, State experiment stations.....	31,803,708	32,803,708	31,803,000	32,803,708	32,803,000
Total, Agricultural Research Service.....	182,707,298	188,155,208	188,441,000	195,680,308	193,109,200
Extension Service:					
Payments to States and Puerto Rico.....	53,715,000	56,580,000	55,715,000	57,715,000	56,715,000
Retirement costs for extension agents.....	5,674,375	5,961,000	5,875,000	5,961,000	5,961,000
Penalty mail.....	2,491,307	2,491,307	2,490,000	2,490,000	2,490,000
Federal Extension Service.....	2,242,540	2,392,660	2,255,000	2,275,000	2,265,000
Total, Extension Service.....	64,123,222	67,424,967	66,335,000	68,441,000	67,431,000
Farmer Cooperative Service.....	615,800	644,650	620,000	620,000	620,000
Soil Conservation Service:					
Conservation operations.....	82,322,000	82,882,000	83,132,000	83,132,000	83,132,000
Watershed protection.....	22,750,000	27,750,000	32,000,000	37,000,000	35,000,000
Flood prevention.....	18,000,000	15,000,000	18,000,000	18,000,000	18,000,000
Water conservation and utilization projects.....	75,000				
Great Plains conservation program.....	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total, Soil Conservation Service.....	133,147,000	135,632,000	143,132,000	148,132,000	146,132,000
Agricultural Conservation Program Service: Agricultural conservation program.....	241,500,000	242,600,000	242,000,000	242,000,000	242,000,000
Agricultural Marketing Service:					
Marketing Research and Service:					
Marketing research and agricultural estimates.....	15,412,500	16,571,500	16,315,000	16,605,000	16,515,000
Marketing services.....	26,054,600	26,570,400		26,579,900	26,579,900
Total, Marketing Research and Service.....	41,467,100	43,141,900	16,315,000	43,184,900	43,094,900
Payments to States and possessions.....	1,195,000	1,195,000	1,195,000	1,195,000	1,195,000
School lunch program.....	110,000,000	110,000,000	110,000,000	110,000,000	110,000,000
Total, Agricultural Marketing Service.....	152,662,100	154,336,900	127,510,000	154,379,900	154,280,900
Foreign Agricultural Service:					
Salaries and expenses.....	3,518,300	4,637,300	4,447,000	4,487,000	4,487,000
Salaries and expenses (special foreign currency program).....	5,843,378	14,621,800	14,621,000	14,621,000	14,621,000
Total, Foreign Agricultural Service.....	9,361,678	19,259,100	19,068,000	19,108,000	19,108,000
Commodity Exchange Authority.....	909,500	941,325	930,000	941,325	940,000
Commodity Stabilization Service:					
Acreage allotments and marketing quotas.....	40,635,000	40,135,000	40,135,000	40,135,000	40,135,000
Sugar Act program.....	71,500,000	74,500,000	74,500,000	74,500,000	74,500,000
Conservation reserve program.....	335,000,000	361,783,000	310,000,000	335,000,000	330,000,000
Total, Commodity Stabilization Service.....	447,035,000	476,418,000	424,635,000	449,635,000	444,635,000
Federal Crop Insurance Corporation: Operating and administrative expenses.....	8,376,700	6,376,700	6,376,000	6,376,000	6,376,000
Rural Electrification Administration: Salaries and expenses.....	9,632,000	9,632,000	9,632,000	9,632,000	9,632,000
Farmers Home Administration: Salaries and expenses.....	30,744,760	31,467,650	30,500,000	31,467,650	31,050,000
Office of the General Counsel.....	3,162,025	3,358,845	3,358,000	3,358,000	3,358,000
Office of Secretary.....	2,881,000	2,899,500	2,899,500	2,899,500	2,899,500
Office of Information.....	1,431,665	1,478,685	1,478,000	1,523,000	1,488,000
Library.....	831,900	895,660	895,000	895,000	895,000
Total, regular activities.....	1,287,121,638	1,341,521,190	1,267,809,500	1,335,088,683	1,323,963,600

Footnotes at end of table.

Comparative table of appropriations for 1960 and estimates and amounts recommended in bill for 1961—Continued

CORPORATIONS (TITLE II)

Agency and item	Appropriations, 1960	Budget esti- mates, 1961	Recommended in House bill, 1961	Amount recom- mended in Sen- ate bill, 1961	Conference allowance, 1961
Federal Crop Insurance Corporation: Administrative and operating expenses.....	(\$2,330,000)	(\$2,830,000)	(\$2,630,000)	(\$2,630,000)	(\$2,630,000)
Commodity Credit Corporation:					
Restoration of capital impairment.....	⁴ 2,110,424,413	1,325,000,000	1,226,500,000	1,226,500,000	1,226,500,000
Reimbursements for special activities:					
International Wheat Agreement.....	63,875,000	49,042,000	32,572,000	32,572,000	32,572,000
Emergency famine relief.....	104,508,000	115,000,000	107,094,000	107,094,000	107,094,000
Sales for local currencies (Public Law 480).....	968,016,000	881,000,000	881,000,000	881,000,000	881,000,000
Migratory waterfowl feed.....	35,000	35,000	18,000	18,000	18,000
Bartered materials for stockpile.....	129,000,000	422,950,000	422,950,000	422,950,000	422,950,000
Animal disease eradication.....	1,053,500				
Grading and classing activities.....	1,607,000	715,000			
Total reimbursements for special activities.....	1,268,097,500	1,468,742,000	1,443,634,000	1,443,634,000	1,443,634,000
Administrative expense limitation.....	⁵ (42,400,000)	(48,428,000)	(44,726,000)	(45,726,000)	(45,726,000)
Total, corporations.....	3,378,521,913	2,793,742,000	2,670,134,000	2,670,134,000	2,670,134,000

RELATED AGENCIES (TITLE III)

Limitation on administrative expenses: Farm Credit Administration.....	⁶ (\$2,310,000)	(\$2,480,000)	(\$2,480,000)	(\$2,480,000)	(\$2,480,000)
Total, titles I, II, and III.....	4,665,643,551	4,135,263,190	3,937,943,500	4,005,222,683	3,994,097,600

Loan authorizations

Agency and item	Authorizations, 1960	Budget esti- mates, 1961	Recommended in House bill, 1961	Amount recom- mended in senate bill, 1961	Conference allowance, 1961
Rural Electrification Administration:					
Electrification.....	⁷ \$136,000,000	\$110,000,000	\$110,000,000	\$110,000,000	\$110,000,000
Telephone.....	⁷ 104,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Total, Rural Electrification Administration.....	240,000,000	190,000,000	⁸ 190,000,000	⁸ 190,000,000	⁸ 190,000,000
Farmers Home Administration:					
Farm ownership.....	26,900,000	20,000,000	26,900,000	26,900,000	26,900,000
Farm operation (production and subsistence).....	197,100,000	154,000,000	197,100,000	197,100,000	197,100,000
soil and water conservation.....	2,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total, Farmers Home Administration.....	⁹ 226,000,000	177,000,000	¹⁰ 227,000,000	¹⁰ 227,000,000	¹⁰ 227,000,000
Total, loan authorizations.....	466,000,000	367,000,000	417,000,000	417,000,000	-----

Permanent authorizations

Agency and item	Authorizations, 1960	Budget estimates, 1961	Increase or decrease
Agricultural Research Service: Animal quarantine station, Clifton, N.J.....	\$30,000	-----	—\$30,000
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (see. 32).....	251,446,365	\$318,000,000	+66,553,635
Perishable Agricultural Commodities Act fund.....	670,000	670,000	-----
Total, Agricultural Marketing Service.....	252,116,365	318,670,000	+66,553,635
Commodity Stabilization Service: National Wool Act.....	50,050,313	51,000,000	+949,687
Total, permanent appropriations.....	302,196,678	369,670,000	+67,473,322

¹ In addition, \$43,657,248 transferred from sec. 32 funds in fiscal year 1960, transfer of \$40,000,000 budgeted for fiscal year 1961, and \$45,000,000 recommended in bill for 1961.

² In addition, \$2,493,000 transferred from sec. 32 funds in fiscal year 1960, transfer of \$2,539,000 budgeted for fiscal year 1961, \$2,493,000 recommended in House bill, and \$2,539,000 recommended by Senate, and agreed to in conference.

³ Includes \$1,400,000 appropriated in Second Supplemental Appropriation Act, 1960.

⁴ Includes \$675,000,000 appropriated in Second Supplemental Appropriation Act, 1960.

⁵ Includes additional \$400,000 authorized in Second Supplemental Appropriation Act, 1960.

⁶ Includes additional \$185,000 authorized in Second Supplemental Appropriation Act, 1960.

⁷ Includes \$25,000,000 contingency authorized in 1960 Appropriation Act, but not requested in budget, 1961.

⁸ In addition, contingency of \$50,000,000 authorized for each program for 1961 in House bill, raised to \$60,000,000 for each program by Senate, and agreed to in conference.

⁹ Includes \$20,000,000 contingency authorization provided in 1960 Appropriation Act, but not requested in budget, 1961.

¹⁰ In addition, contingency of \$40,000,000 authorized for 1961.

ELIMINATION OF AFFIDAVIT OF DISLOYALTY

The Senate resumed consideration of the bill (S. 2929) to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief.

Mr. GOLDWATER. Mr. President, I should like to keep the RECORD straight, and we are going to try to keep it straight as we go along. I should like specifically to refer to other areas where education is provided with Federal funds and where oaths are required. I read from the Con-

gressional Digest of April 1960, volume 39, No. 4:

At the request of the Senate Committee on Labor and Public Welfare, the Legislative Reference Service of the Library of Congress performed a survey of all the departments and most of the agencies of the Federal Government to determine which ones require loyalty oaths or disclaimers of subversive affiliation.

I am not going through all of these statements, but only enough in order to keep the RECORD straight. We will put more in as the RECORD is bent a little.

II. OATHS AND DISCLAIMERS SPECIFICALLY REQUIRED BY STATUTE

NATIONAL SCIENCE FOUNDATION

The only requirement of this nature administered by the National Science Foundation is contained in section 16(d) of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), which requires a loyalty affidavit and oath of allegiance from persons receiving payments under foundation scholarships or fellowships.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. BRIDGES. Is it true that the National Science Foundation has been in operation for 10 years?

Mr. GOLDWATER. Just about 10 years.

Mr. BRIDGES. And does the United States of America, through the National Science Foundation, provide education for certain young people?

Mr. GOLDWATER. That is correct.

Mr. BRIDGES. In all that period of time has the Senator from Arizona heard any great objections to that program?

Mr. GOLDWATER. The Senator has never heard any complaint about it.

Mr. BRIDGES. As a matter of fact, following the subject a step further, the National Science Foundation requirements are very similar to those of the National Defense Education Act. There is no legislation introduced relating to these provisions in the National Science Foundation Act, which was enacted in 1950. And the National Defense Education Act was in effect about a year before all the furor started. Is this not correct?

Mr. GOLDWATER. The Senator is correct.

Mr. BRIDGES. I compliment the Senator. He is always forthright and courageous. I am glad that he mentioned the fact that a national organization of college students exists in this country with headquarters here in Washington and with representatives in colleges throughout the country. This organization is composed of young men and women who stand up without fear and do not hesitate to take the oath of loyalty to the United States or to sign an anti-Communist affidavit or disclaimer. I salute the membership of this organization.

Mr. GOLDWATER. Mr. President, to proceed a little further, when the year 1960 ends I will have visited with 55 different educational organizations at the student level, either in a classroom or in my own office, and such a small number of those people express dissatisfaction with this program that it would be impossible for me to give the complaints any value which would approach 1 percent.

In reading through this list I see the name of my own school. It is not my alma mater because I never graduated from a college. I refer to the University of Arizona. I recall speaking at the annual meeting of the Arizona Pioneer Historical Society at the university last year, and the president sat next to me. I had gone through my library, remembering that I had it in my possession, and I found a loyalty oath and disclaimer that had been sworn to by that illustrious American, John C. Fremont, before he became Governor of Arizona. In fact, it was before 1880. I jokingly said to the president, who is a good friend of mine, that if it was good enough for a Governor of Arizona, it was good enough for a student.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. CLARK. Did the affidavit which John C. Fremont took have reference to the Communist Party?

Mr. GOLDWATER. I do not recall that it spelled out Communists, but it talked about advocating the overthrow of the U.S. Government. I am trying to find it. When I find it I will put it in the RECORD and the Senator can see it. It is a much more substantial oath than the one we are asking students to take.

To continue my remarks concerning the study that was made by the Legislative Reference Service of the Library of Congress under the heading "Department of Defense," we find the following:

Section 624 of the Department of Defense Appropriation Act, 1959 (recurring appropriation act provision) reads:

"No part of the funds appropriated herein shall be expended for the support of any formally enrolled student in basic courses of the senior division, reserve officers training corps, who has not executed a certificate of loyalty oath in such form as shall be prescribed by the Secretary of Defense."

Under the Department of Health, Education, and Welfare regulations under the Vocational Rehabilitation Act it is provided that in order to be eligible for a traineeship award under section 7(a)(3) of the act, an individual must "have executed and filed with the Office of Vocational Rehabilitation an affidavit that he does not advocate, and, is not a member of any organization that advocates or teaches, the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods."

Under the regulations of the Public Health Service Act there is a requirement for a loyalty oath and disclaimer in order to be eligible for regular Public Health Service Research fellowships and for National Institutes of Health traineeship awards.

My whole purpose in reciting the few cases that I have recited is to point out that not only are there precedents under acts which carry the words "national defense" in their titles, but that it is also the historic procedure used in government all through the country. It is nothing new to require students to take such an oath. I cannot for the life of me understand why some of our educators—and I might say some of them are among our most learned and highly respected educators—have taken the attitude that they have taken on this particular subject. That is the extent of the remarks I care to make on this subject. I suggest the absence of a quorum.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. GOLDWATER. I withhold my suggestion. I yield to my friend the Senator from South Carolina.

Mr. THURMOND. I should like to ask the distinguished Senator if it is not true that every member of the staff and every Member of the Senate and House signs an affidavit which is substantially the same as the non-Communist affidavit provided in the National Defense Education Act?

Mr. GOLDWATER. I think it is substantially the same. We swear to defend the Constitution against all enemies, foreign and domestic. I certainly believe that covers it.

Mr. THURMOND. The language of the affidavit which is subscribed to by every staff member in the Senate is as follows:

No person shall accept or hold office or employment in the Government of the United States or any agency thereof, including wholly owned Government corporations, who—

(1) advocates the overthrow of our constitutional form of government in the United States;

(2) is a member of an organization that advocates the overthrow of our constitutional form of government in the United States, knowing that such organization so advocates;

(3) participates in any strike or asserts the right to strike against the Government of the United States or such agency; or

(4) is a member of an organization of Government employees that asserts the right to strike against the Government of the United States or such agencies, knowing that such organization asserts such right.

Is not this oath substantially similar to the oath required under the National Defense Education Act? If that is the case, if every person who works for the Government of the United States, including every secretary who works for a Member of Congress, takes such an oath, why should there be any question about anyone who is to get a grant or a loan to go to school to pursue further learning in an institution making such an affidavit. Why should there be any question about any student or any teacher making such an affidavit?

If a person is not a Communist, and if he does not advocate the overthrow of our Government by force or violence, why does he not have the courage to say so? Why should he wish to hide behind something? There may be the insinuation that he is a Communist. Frankly, I believe that some of them are Communists. I believe that is the reason why some teachers and students refuse to take the oath.

I do not say that all the students and teachers who oppose the oath are Communists, but it is my firm opinion that some of the leaders in this movement in some of these institutions who are trying to get the oath requirement repealed are Communists. I believe some of them are fellow travelers. I believe they are pushing this program in order to foster the cause of communism in this country.

I know there are a great many good people who believe in the contention that is made with respect to the affidavit on the ground of academic freedom. They feel that academic freedom and freedom of speech are involved. They believe that the rights of an individual should not be violated.

However, in this day and age, when we are threatened with communism, which is the greatest threat that our country has ever faced, it is no time to quibble, it is not time for the American people to show any patience toward anyone who is not for 100 percent Americanism in the making of a loan or grant to a person. Otherwise, we would be merely furthering the education of such a person, who has a warped mind or is a Communist or a fellow traveler, and who will use his further knowledge to harm this country.

Mr. Green of Pennsylvania with Mr. Taylor.
Mr. Buckley with Mr. Burdick.

Mr. JENNINGS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MORRISON. Mr. Speaker, on this I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 378, nays 40, not voting 14, as follows:

[Roll No. 134]

YEAS—378

Abbott	Corbett	Hoeven
Abernethy	Cramer	Hoffman, Ill.
Adair	Cunningham	Hogan
Addonizio	Curtin	Hollifield
Albert	Curtis, Mass.	Holland
Alexander	Daddario	Holt
Alford	Dague	Holtzman
Andersen, Minn.	Daniels	Horan
Anderson, Mont.	Davis, Ga.	Hosmer
Andrews	Davis, Tenn.	Huddleston
Anfuso	Dawson	Hull
Ashley	Delaney	Ikard
Ashmore	Dent	Inouye
Aspinall	Denton	Irwin
Auchincloss	Derounian	Jarman
Avery	Derwinski	Jennings
Ayres	Devine	Jensen
Bailey	Diggs	Johnson, Calif.
Baker	Dingell	Johnson, Colo.
Baldwin	Dixon	Johnson, Md.
Baring	Donohue	Johnson, Wis.
Barr	Dooley	Jonas
Barrett	Dorn, N.Y.	Jones, Ala.
Barry	Dowdy	Judd
Bass, N.H.	Downing	Karsten
Bass, Tenn.	Doyle	Karthe
Bates	Dulski	Kasem
Baumhart	Dwyer	Kastenmeier
Becker	Edmondson	Kearns
Beckworth	Elliott, Ala.	Kee
Belcher	Elliott, Pa.	Keith
Bennett, Fla.	Evins	Kelly
Bennett, Mich.	Fallon	Keough
Betts	Farbstein	Kilday
Blatnik	Fascell	Kilgore
Blitch	Feighan	King, Calif.
Boggs	Fenton	King, Utah
Boland	Fino	Kirwan
Bolling	Fisher	Kitchin
Bolton	Flood	Kluczynski
Bonner	Flynn	Knox
Bosch	Fogarty	Kowalski
Bow	Foley	Kyl
Bowles	Forand	Lafore
Boykin	Forrester	Landrum
Brademas	Fountain	Lane
Bray	Frazier	Lange
Breeding	Frelinghuysen	Lankford
Brewster	Friedel	Latta
Brock	Fulton	Lennon
Brooks, La.	Gallagher	Lesinski
Brooks, Tex.	Garmatz	Levering
Broomfield	Gary	Libonati
Brown, Ga.	Gathings	Lindsay
Brown, Mo.	Gavin	Lipscomb
Brown, Ohio	George	McCormack
Broyhill	Gialmo	McCulloch
Burke, Ky.	Gilbert	McDonough
Burke, Mass.	Glenn	McDowell
Burleson	Goodell	McFall
Byrne, Pa.	Granahan	McGinley
Cahill	Grant	McGovern
Canfield	Gray	McMillan
Cannon	Griffiths	McSweeney
Casey	Gubser	Macdonald
Celler	Hagen	Machrowicz
Chamberlain	Haley	Mack
Chelf	Halpern	Madden
Chenoweth	Hardy	Magnuson
Chiperfield	Hargis	Mahon
Church	Harmon	Mailliard
Clark	Harris	Marshall
Coad	Hays	Martin
Coffin	Healey	Mason
Cohelan	Hebert	Matthews
Collier	Hechler	May
Corte	Hemphill	Meador
Cook	Henderson	Morrow
Cooley	Herlong	Metcalf
	Hess	Meyer
	Hiestand	Michel

Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Minshall
Mitchell
Moeller
Monagan
Montoya
Moore
Moorhead
Morgan
Morris, N.Mex.
Morrison
Moss
Multer
Mumma
Murphy
Natcher
Nelsen
Nix
Norblad
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
O'Neill
Oliver
Osmers
Ostertag
Passman
Pelly
Perkins
Pfost
Philbin
Pirnie
Porter
Powell
Preston
Price
Prokop
Pucinski
Quie

Quigley
Rabaut
Rains
Randall
Reuss
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rooney
Roosevelt
Rostenkowski
Roush
Rutherford
St. George
Santangelo
Saund
Saylor
Schenck
Schneebeli
Schwengel
Scott
Selden
Shelley
Sheppard
Shipley
Sikes
Siler
Simpson
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Miss.
Spence
Springer
Staggers
Steed
Stratton

Stubblefield
Sullivan
Teague, Calif.
Teague, Tex.
Teller
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Toll
Tolletson
Trimble
Udall
Ullman
Utt
Vanik
Van Pelt
Van Zandt
Vinson
Wainwright
Wallhauser
Walter
Wampler
Watts
Weaver
Wels
Westland
Wharton
Whitener
Whitten
Widnall
Wier
Williams
Willis
Wilson
Winstead
Withrow
Wolf
Wright
Yates
Young
Younger
Zablocki
Zelenko

NAYS—40

Alger
Allen
Arends
Berry
Budge
Byrnes, Wis.
Cederberg
Colmer
Curtis, Mo.
Dorn, S.C.
Everett
Flynt
Ford
Griffin

Gross
Halleck
Harrison
Hoffman, Mich.
Jackson
Johansen
Jones, Mo.
Kilburn
Laird
McIntire
Murray
Norrell
Pilcher
Pillion

Poage
Poff
Ray
Reece, Tenn.
Rees, Kans.
Rhodes, Ariz.
Scherer
Short
Smith, Kans.
Smith, Va.
Taber
Tuck

NOT VOTING—14

Barden
Bentley
Buckley
Burdick
Carnahan

Durham
Green, Oreg.
Green, Pa.
Loser
Morris, Okla.

Moulder
Patman
Rivers, S.C.
Taylor

So the bill was passed.

The Clerk announced the following pairs:

Mr. Buckley with Mr. Bentley.

Mr. Green of Pennsylvania with Mr. Barden.

Mr. Rivers of South Carolina with Mr. Taylor.

Mr. THOMSON of Wyoming changed his vote from "nay" to "yea."

The vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MORRISON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks, just prior to the vote on this bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEPARTMENT OF AGRICULTURE
AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1961

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 14, 1960.)

Mr. WHITTEN (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I would like to say to the gentleman from Mississippi that I am a little concerned about one sentence in the report, the very last sentence which says that the conferees do not favor construction of further Government-owned storage facilities.

I would like to cite as the background for my question the fact that last year, the first year of the Benson corn program, we produced 4.4 billion bushels of corn. We consumed 3.8 billion bushels. Obviously the CCC is obligated under these circumstances to take over a considerable amount of corn. There is some doubt there is sufficient properly located storage in existence today, even when you add the commercial together with the Government-owned storage. This means that the Commodity Credit Corporation must secure some additional storage somewhere. If they cannot secure the storage at a reasonable price from the trade, obviously they are going to have to or should provide it with some Government-owned facilities.

In order to make the language in the report more clear, did the gentleman intend to discourage the construction of more Government-owned storage under these circumstances, or where it is necessary?

Mr. WHITTEN. May I say to the gentleman that the gentleman from Illinois [Mr. YATES] offered the amendment commonly known as the Yates amendment. I think he rendered a real service in offering that amendment. I think it was beneficial to the conferees in writing the conference report. Generally we have tried to carry out the intent of that

amendment in our report, as I understand the intent, though the conference language speaks for itself.

As to the language to which the gentleman refers, I call attention again to the fact that we did not say government storage could not be built. We said only that we did not favor the construction of further Government-owned storage facilities. The intent, as I understand it, was that where commercial facilities can be made available or where the Government can promote the construction by commercial enterprise, on a reasonable cost basis, in those cases it should be done. But I do agree with the gentleman that under the price-support laws storage space must be made available in order to provide for the price-support program. In those cases where storage is not otherwise available the CCC would be duty bound to use this means of providing the price support benefits. Thus we come back to the fact that if commercial enterprises do not meet this need on a reasonable basis, there would be an obligation on the part of the Government to meet it. We do not favor doing that unless it should be necessary either because commercial warehousing was unavailable or because exorbitant rates were demanded.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. YATES. Let me first thank the gentleman for his gracious comments on my amendment. I am still not clear as to what the meaning of the language used by the conferees is. I read from the conference report:

The conferees agree that commercial warehouse space for storing commodities be given preference, other things being equal.

Suppose you have two facilities in an area. You have a Government-owned facility and you have a commercial facility, both of which are empty. It would be cheaper to store the surplus commodity in the Government facility. Is it the intent of your amendment that the Commodity Credit Corporation should store such grain as requires storage in the Government facility under those conditions?

Mr. WHITTEN. If we presume that it would be more economical to use the Government storage, it is our intent that it be used. We do point out in the language we use that there are certain cost factors that should be taken into consideration in making the decision as to "most economical." The commercial warehouse agrees to deliver the same quality grain without deterioration. On the other hand, the Government under some circumstances might have no provision for loading and unloading and no provision for turnover. That in itself would not preclude Government-owned storage, but in determining which is most economical those different factors should be taken into account. Primarily what we say in the report is what I think the gentleman really intended in his amendment. We spell out some of the factors which are involved in the word "economical."

Mr. YATES. That was the intent of the amendment, to make the program be operated in the most economical way possible, and that is still the intent of the conference report, that the program be operated on the most economical basis possible, and that if the corporation has a choice between commercial and Government facilities and it would be more economical to use the Government facilities, the corporation is to use the Government facilities.

Mr. WHITTEN. It is my belief that would be required under the words of the charter, "Consistent with the efficient operation of the corporation." May I say the gentleman's efforts, I believe, will lead to considerable savings to the Government.

Mr. YATES. I thank the gentleman.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. MAHON. Has the action of the conferees been discussed with the officials of the Department of Agriculture having to do with the storage of grain, and do they think that this compromise arrangement is reasonably satisfactory from the standpoint of the farmer, the warehouse man, and others involved?

Mr. WHITTEN. We have not discussed this with the Department officials. We had quite lengthy hearings with the departmental officials earlier. This in my judgment is in line with the sound operation of the corporation. I do not believe anybody in the Department could differ with the language. After all, the Department's handling of the matter led to the adoption first of the amendment and now of the report. I think it is in line with what sound-thinking people in the Department believe, and I think it is thoroughly workable.

Mr. JOHNSON of Maryland. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. JOHNSON of Maryland. Mr. Speaker, I wish to commend the conference committee on their splendid report and to say that I appreciate their cooperation in having the funds for marketing services restored in the bill. As I told the House on May 11, the elimination of the appropriations for Federal compulsory poultry inspection would have a serious impact on the important poultry industry of the First Congressional District of Maryland. Members of the committee assured me that efforts would be made to restore these funds amounting to some \$26 million, and I am happy that this has been accomplished.

We are proud of our Eastern Shore poultry industry. Our producers have remarkably increased their efficiency in the use of inputs in feed, labor, capital, and management, which have resulted in lower production costs. Our breeders and hatcheries have provided improved meat-type strains, and our processors have adopted modern methods and techniques. Collectively, the industry has promoted its products in the Nation's marketplace. In spite of these economies and good market practices, the margin of profit to the poultry industry has been reduced to the point where

further investments in capital assets have been questioned.

For the past year, I have been pressing for more favorable freight rates on feed ingredients shipped from midwestern grain terminals to our district. Freight rates to other geographic areas of the same distance or more which produce poultry are for the most part considerably lower than those prevailing in my district. This inequity and discrimination is definitely unfair to the poultrymen on the Delmarva Peninsula. As an example, the Memphis area was at a \$1.97 a ton advantage over our poultry district. A study is now underway on freight price differential in the northeast area and I see some hope that our great poultry industry will obtain this needed relief.

Another problem confronting the great Delmarva poultry-producing area is the need to deepen channels and improve harbor facilities in order to take advantage of cheaper water freight rates.

The Eastern Shore is one of the largest broiler-producing areas in the United States. Despite higher feed ingredient costs, higher freight rates, and higher operation costs generally, our poultry industry has held a respectable position because of its high degree of efficiency, good management, and quality birds. This great industry is and will continue as an important segment of the general economy of the district.

(Mr. JOHNSON of Maryland asked and was given permission to revise and extend his remarks.)

Mr. YATES. Mr. Speaker, on May 11, when the Department of Agriculture appropriations bill was on the floor, I offered an amendment to require the Commodity Credit Corporation to use Government storage facilities to the maximum extent possible, consistent with economical operation of the Corporation. The reason for the amendment was obvious. As the committee pointed out, the storage charges for fiscal year 1959 totaled almost \$482 million. For 1960, the storage charges for surplus commodities were estimated to be \$612 million. For the next fiscal year, storage charges were expected to exceed \$700 million. The Government itself owns facilities in which 985 million bushels of surplus commodities can be stored. According to the committee's hearings, these facilities are being used only to the extent of 65 percent.

Why is this important? Because of the great disparity between the costs of storage in Government facilities and commercial facilities. According to the hearings, the cost of using Government facilities is 5.1 cents per bushel as opposed to a cost of 16.3 cents per bushel in commercial facilities. And even with this tremendous difference in cost, it is the policy of the Department of Agriculture to require storage in commercial bins, even though empty Government storage space is available. It is clear that millions of dollars in storage charges can be saved if Government facilities are used to a greater extent.

Now the conferees have returned with their conference report which has stricken the amendment I offered in the

House and which the House accepted. I know that the conferees had a most difficult task in trying to reconcile their support for the Yates amendment with the views in opposition of the Senate. However, after speaking to several of them earlier today on the intent of the language in the conference report which was substituted for my amendment, I believe its intent is the same. The language may be different, but the purpose is the same.

The purpose of the Yates amendment was to save money for the taxpayers through the efficient and economical operation of the Corporation's storage program. It had been shown that the Corporation was not making adequate use of Government facilities. On the contrary, it was utilizing much more expensive commercial facilities, when Government storage facilities were available. As I indicated before, the hearings of this subcommittee and of the Fountain Subcommittee of the House Committee on Government Operations show that the cost of storage was 5.1 cents for Government facilities, as opposed to 16.3 cents for commercial storage. No one on this subcommittee—not even those who objected to the Yates amendment when it was proposed, took issue with these costs when they were considered in committee.

In view of the statements just made by the chairman of the subcommittee that it is the intention of the conferees that the storage program be operated on the most economical basis, it would seem to me that the new language in the conference report must be construed to require practices which encourage economy. If Government facilities and commercial facilities are both available, and it is more economical to store the surplus commodities in Government facilities, I understand it to be the intention of the conferees that the commodities should be stored in Government warehouses. If in fact it can be shown that it is more economical to store the commodities in commercial facilities, the commodities should be stored in commercial facilities.

I have been assured by the chairman that the subcommittee intends to review the storage practices of the Commodity Credit Corporation during the next fiscal year to see whether it will abstain from the extravagant practices of which it has been guilty in the past. I have been assured further that the committee intends to make sure that Government facilities are utilized in a manner which will permit the storage program to be operated as efficiently and economically as possible.

Mr. Speaker, the Yates amendment is a common sense amendment. The taxpayers are entitled to the protection it contains. I am sure the farmers themselves want the taxpayers to have such protection so that the entire farm program is not jeopardized by unnecessary and unwarranted expenditures. I am sure that they do not intend that the farm price-support program be a storage price-support program, as well. Common sense dictates that such costs be kept to a minimum. Common sense should be used in administering the surplus commodity storage program.

Mr. WHITTEN. Mr. Speaker, I yield 6 minutes to the gentleman from Minnesota [Mr. ANDERSEN] for the purpose of making a statement.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I am taking advantage of this opportunity to commend and compliment the leadership and those advocating the measure for the speed with which the pay-raise legislation for Government employees was brought to the floor and approved.

Just a few days ago a discharge petition was filed, and the Members stood in line in the well of the House to sign, and in 2 days the required number of signatures was obtained.

The pay-raise measure that we have approved has merit, and in addition it has popular appeal for more than 2 million Government employees. But what about the farmers, Mr. Speaker? Are American farmers any less deserving of their day in court?

It should be noted that the lowest entrance salary for civil service employees is now \$2,960. That is a rather low salary today with the high cost of living and industrial wages averaging more than \$90 per week. So we have just agreed to give all Government employees with salaries ranging from \$2,960 to \$17,500 a year a substantial raise. I believe they deserve it or I assure you I would not have voted for the bill.

But what about our farmers whose average net income per family is only \$2,380 per year? The average farm operator and family today earns for labor, investment, and management ability a total amount \$580 a year less than the lowest paid civil service employee to whom we have just voted a raise.

Two-thirds of the American farms, about 3 million of them, had incomes from farming last year amounting to \$3,000 or less, according to the U.S. Department of Agriculture.

The average return to the dairy-farm operators and their families in the Central Northeast is below the present minimum civil service salary. The average return to cotton-farm operators in the southern Piedmont is only a fraction of that, and the average return to wheat-farm operators is also below the minimum civil service salary. They, too, must live off their dollar income like anybody else.

Are farm families any less deserving of consideration at our hands than the families of Government employees?

An income-reducing wheat bill was approved in the other body just the other day by a vote of 44 to 36 after an amendment sponsored by the majority to reduce price supports another 5 percent below the committee bill had been approved by a record vote of 48 to 34. Wheat farmers were shocked last week by the action in the other body and all farmers are appalled by the lack of any action here in the House of Representatives.

I am told that the Committee on Rules, with an 8 to 4 membership dominated by Democrats, has still not acted on the pending bill. I repeat, I am told that the Committee on Rules, with an 8 to 4

membership, dominated by Democrats, has still not acted on the pending farm bill. But I do not see the advocates of farm legislation, of that particular bill, filing a discharge petition, nor do I see the majority in control of the Congress by virtually a 2-to-1 margin doing anything about the farm-income problem.

On the one hand we see this quick and decisive action on behalf of 2 million Government employees, with salaries ranging from \$2,960 to \$17,500 a year, and on the other hand we see nothing being done—nothing being done for the 3 million farm families with incomes at or below the minimum civil service salary.

When I plead for action on a worthwhile farm measure, the leaders in control of legislation alibi that it might be vetoed. But the threat of a possible veto did not dismay a great majority of our colleagues here today when they signed the discharge petition earlier and now have cast their votes for a civil service pay raise.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make a point of order that a quorum is not present.

Mr. Speaker, I withdraw that motion and make a point of order that the House is not in order.

The SPEAKER. The House will be in order.

Mr. ANDERSEN of Minnesota. I may say to the gentleman from Michigan that if the gentlemen on the other side of the aisle are not interested in farm legislation, that is their business. If their lack of order indicates their lack of interest in farm problems, let the record speak for itself. I am merely expressing my opinion here today in behalf of the farmers of the Nation. If some Members are not concerned, that is their business. That is about what the Democratic majority has done this year; they have not listened and they have not acted. They have that bill bottled up in the Rules Committee. They are waiting until the wheat bill comes over from the Senate and then they will say that our corn and feed grain green acres proposal is not germane because the bill would be wholly limited to wheat. That will be their strategy.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman.

Mr. HOFFMAN of Michigan. The gentleman is talking about the Rules Committee and our friends on the right over here. I was not thinking of them; I would like to hear what the gentleman says.

Mr. ANDERSEN of Minnesota. Thank you, sir.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. GROSS. The gentleman is talking about the Rules Committee.

Mr. ANDERSEN of Minnesota. I am just criticizing the Rules Committee, eight Democrats and four Republicans, for lack of action. We have been here more than 5 months, adjournment is staring us in the face with the turn of the page of our calendar, and campaign

promises to the farmer apparently have been forgotten. The time for action on farm legislation is long overdue, Mr. Speaker. The House has just shown the Nation how fast it can act when the majority decides to do so, with little or no concern for a threatened veto.

Mr. Speaker, there is no alibi left for the dismal failure of this Congress in the field of farm legislation. The last, lame excuse of a possible veto was swept aside by the action of the House today in passing the pay raise bill.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 4, line 5, insert "": *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for fiscal year 1962 that does not require minimum matching by any State of at least 40 per centum;"

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate No. 4, and concur therein with an amendment, as follows: In lieu of the figure 1962 in said amendment insert "1963".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 6, line 1, insert:

"CONSTRUCTION OF FACILITIES

"For construction of facilities and acquisition of the necessary land therefor by donation or exchange, \$3,700,000, to remain available until expended: *Provided*, That \$300,000 of the amount appropriated herein shall be available for payment of expenses for construction of a headquarters-laboratory building at the National Arboretum, which is hereby authorized to be constructed under contract authorization in an amount not to exceed \$1,500,000."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate No. 6, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"CONSTRUCTION OF FACILITIES

"For construction of facilities and acquisition of the necessary land therefor by donation or exchange, \$2,550,000, to remain available until expended."

Mr. WHITTEN. Mr. Speaker, I yield to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I ask unanimous consent to extend my remarks immediately preceding the remarks of the gentleman from Minnesota [Mr. ANDERSEN].

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I ask unanimous consent that the gentlewoman from Washington [Mrs. MAY] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mrs. MAY. Mr. Speaker, I am extremely gratified that, in accepting the conference report on the agriculture appropriations bill, the House of Representatives today included the sum of \$150,000 for the establishment of a soil and water conservation research laboratory facility at Washington State University at Pullman.

This facility, one of five authorized for construction in fiscal year 1961, will enable scientists to cope with an acute erosion problem which is causing the loss of soil at an alarming rate, particularly in the rolling Palouse hills near Pullman where much of our Northwest wheat is grown.

As I pointed out in testimony before the Agriculture Appropriations Subcommittee, I have heard from a great number of individuals and interested farm organizations who believe, as I do, that a special laboratory for soil and water conservation research should be established within the State of Washington, and that it should be in harmony with the comprehensive report on "Facilities Needs—Soil and Water Conservation Research," the report of findings by the working group appointed by the Secretary of Agriculture. Within the State of Washington, our most urgent need is to expand materially Federal efforts in soil and water research.

I wish to commend the House and Senate for its action in approving this facility.

The SPEAKER. The question is on the motion of the gentleman from Mississippi.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

JUDICIARY AND JUDICIAL PROCEDURE

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12620) to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes.

The Clerk read the title of the bill.

Mr. LANE. Mr. Speaker, on July 9, 1959, the House passed H.R. 7577, a bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and

for other purposes. This bill was the culmination of much thought and serious consideration after full and complete hearings were held by the Judiciary Committee and all interested governmental departments were heard. All departments were generally in harmony in approving the nature and purpose of such legislation.

That bill was then passed by the Senate with an amendment in which the House concurred so that legislation, long sought and much needed, would not be deferred and on the further premise that the amendment by the other body is applicable only to the procedural aspects of the bill and not to the essence of the proposed legislation.

On June 11, 1960, H.R. 7577, as amended by the Senate, was vetoed by the President who in his veto message stated, among other things:

This amendment is unfortunate.

And:

Although unwilling, therefore, to approve this bill, I would gladly sign new legislation corresponding to H.R. 7577 as first passed by the House of Representatives.

H.R. 12620 is identical in every respect with H.R. 7577 which, before amendment, was pleasing and acceptable, in the main, by all interested parties who are concerned with the matters covered thereby, pondered the problems and considered their solutions and, as indicated in the veto message, was also acceptable to the President. I wish to express my appreciation to the Members of this House who, I hope, will give unanimous consent to its passage as it indicates that the Members are alert to speedy action when the need is evident and the merit of legislation is apparent.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2679 of title 28, United States Code, is amended (1) by inserting the subsection symbol "(a)" at the beginning thereof and (2) by adding immediately following such subsection (a) as hereby so designated, four new subsections as follows:

"(b) The remedy by suit against the United States as provided by section 1346(b) of this title for damage to property or for personal injury, including death, resulting from the operation by any employee of the Government of any motor vehicle while acting within the scope of his office or employment, shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against the employee or his estate whose act or omission gave rise to the claim.

"(c) The Attorney General shall defend any civil action or proceeding brought in any court against any employee of the Government or his estate for any such damage or injury. The employee against whom such civil action or proceeding is brought shall deliver within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon him or an attested true copy thereof to his immediate superior or to whomever was designated by the head of his department to receive such papers and such person shall promptly furnish copies of the

Public Law 86-532
86th Congress, H. R. 12117
June 29, 1960

AN ACT

74 STAT. 232.

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961; namely:

Department of
Agriculture and
Farm Credit Ad-
ministration
Appropriation
Act, 1961.

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, and home economics, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two, of which one shall be for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$15,000, except for five buildings to be constructed or improved at a cost not to exceed \$30,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$5,000 or 5 per centum of the cost of the building, whichever is greater:

58 Stat. 742.
60 Stat. 810.

Research: For research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services, including administration of payments to State agricultural experiment stations, \$68,827,200: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That the Secretary of Agriculture may sell the Entomology Research Laboratory at Orlando, Florida, in such manner and upon such terms and conditions as he deems advantageous and the proceeds of such sale shall remain available until expended for the establishment of an entomology research laboratory: *Provided further*, That in the establishment of such laboratory the Secretary may acquire land therefor by donation or exchange;

58 Stat. 742.

62 Stat. 198.

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947 (21 U.S.C. 114b-d), \$52,236,000, of which \$1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the

61 Stat. 7.
31 USC 665.

74 STAT., 233.

control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for fiscal year 1963 that does not require minimum matching by any State of at least 40 per centum;

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat, and meat-food products, and the applicable provisions of the laws relating to process or renovated butter, \$21,562,000;

Special fund: To provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$1,000,000 of the amount appropriated under this head for the fiscal year 1960 may be used by the Administrator of the Agricultural Research Service in departmental research programs in the fiscal year 1961, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

68 Stat. 456.

72 Stat. 275.

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a), and for agricultural and forestry research authorized by section 104(k) of that Act, to remain available until expended, \$15,131,000: *Provided*, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Agricultural Research Service for the foregoing purposes of section 104(a) is appropriated as of that date and shall be merged with this appropriation: *Provided further*, That funds appropriated herein shall be used to purchase such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses.

CONSTRUCTION OF FACILITIES

For construction of facilities and acquisition of the necessary land therefor by donation or exchange, \$2,550,000, to remain available until expended.

STATE EXPERIMENT STATIONS

69 Stat. 671.

60 Stat. 1089.

7 USC 361f.

Payments to States and Puerto Rico: For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture, \$32,053,000; and payments authorized under section 204(b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U.S.C. 1623), \$500,000; in all, \$32,553,000.

Penalty mail: For penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, \$250,000.

DISEASES OF ANIMALS AND POULTRY

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or

European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U.S.C. 391; 21 U.S.C. 111-122), including ex- 61 Stat. 7;
penses in accordance with section 2 of said Act of February 28, 1947, 23 Stat. 31.
the Secretary may transfer from other appropriations or funds avail- 21 USC 114c.
able to the bureaus, corporations, or agencies of the Department such
sums as he may deem necessary, to be available only in an emergency
which threatens the livestock or poultry industry of the country, and
any unexpended balances of funds transferred under this head in the
next preceding fiscal year shall be merged with such transferred
amounts: *Provided*, That this appropriation shall be subject to appli-
cable provisions contained in the item "Salaries and expenses, Agri-
cultural Research Service".

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), \$55,220,000; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000; in all, \$56,715,000: 67 Stat. 83.
Provided, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year. 69 Stat. 683.
60 Stat. 1089.
7 USC 343.

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, \$5,961,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$2,490,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, \$2,265,000. 67 Stat. 83.
69 Stat. 683.
60 Stat. 1087.

FARMER COOPERATIVE SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 44 Stat. 802. 451-457), \$620,000.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, \$83,132,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of 49 Stat. 163.

74 STAT. 235.

49 Stat. 163.

58 Stat. 742.

60 Stat. 810.

constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f), in demonstration projects: *Provided further*, That not to exceed \$5,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service: *Provided further*, That not to exceed \$600,000 of the amount appropriated under this head for fiscal year 1960 may be used to employ conservation aides and other nonprofessional personnel on a part-time or contract basis, and the amount so used may be transferred to and merged with this appropriation.

WATERSHED PROTECTION

68 Stat. 666.

49 Stat. 163.

58 Stat. 742.

60 Stat. 810.

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, \$35,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That not to exceed \$100,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

FLOOD PREVENTION

49 Stat. 1570.

68 Stat. 666.

33 USC 701b
and note.

58 Stat. 742.

60 Stat. 810.

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709), as amended and supplemented, and the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008, 74 Stat. 131), and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including not to exceed \$100,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended, \$18,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), \$10,000,000, to remain available until expended. 70 Stat. 1115.

AGRICULTURAL CONSERVATION PROGRAM SERVICE

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$242,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1960, carried out during the period July 1, 1959, to December 31, 1960, inclusive: *Provided*, That not to exceed \$26,832,950 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than \$5,458,900 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amounts shall be available for administrative expenses in connection with the formulation and administration of the 1961 program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including administration, and no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That no change shall be made in such 1961 program which will have the effect in any county of restricting eligibility requirements or cost-sharing on practices included in either the 1958 or the 1959 programs, unless such change shall have been recommended by the county committee and approved by the State committee: *Provided further*, That the proportion of the State fund initially allocated to any county for the 1961 program shall not be reduced from the distribution of such funds for the 1959 program year: *Provided further*, That not to exceed 5 per centum of the allocation for the 1961 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommenda-

49 Stat. 1148.

73 Stat. 171.

52 Stat. 69.

7 USC 1392.

49 Stat. 1148.

16 USC 590g-

590q.

74 STAT. 237.

tion of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the 1961 program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and \$1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

53 Stat. 1147.

5 USC 118k

note.

62 Stat. 792.

AGRICULTURAL MARKETING SERVICE

MARKETING RESEARCH AND SERVICE

60 Stat. 1087.

58 Stat. 742.

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed \$15,000, except for two buildings to be constructed or improved at a cost not to exceed \$30,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$5,000 or 5 per centum of the cost of the building, whichever is greater:

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand for farm products, and for crop and livestock estimates, \$16,515,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop:

58 Stat. 742.

Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States, \$26,579,900, including not to exceed \$25,000 for employment at rates not to exceed \$50 per diem, except for employment in rate cases at not to exceed \$100 per diem pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15

of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946.

60 Stat. 810.

52 Stat. 36.

60 Stat. 1088;

7 USC 1622.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,195,000.

60 Stat. 1089.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U.S.C. 1751-1760), \$110,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That \$45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

60 Stat. 230.

42 USC 1754.

49 Stat. 774;

7 USC 612c.

42 USC 1755.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$4,487,000: *Provided*, That not less than \$400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$2,539,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32.

68 Stat. 908.

70 Stat. 1034.

49 Stat. 774.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes of market development activities under section 104(a) of that Act, \$13,621,000, and for the purposes of section 104(m) of that Act, relating to agricultural and horticultural fair participation and related activities, \$1,000,000, to remain available until expended: *Provided*, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Foreign Agricultural Service for the foregoing purposes of such sections 104 (a) and (m) is appropriated as of that date and shall be merged with this appropriation: *Provided further*, That funds appropriated herein shall be used to purchase such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the

68 Stat. 456.

provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses.

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

42 Stat. 998;
49 Stat. 1491. For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), \$940,000.

COMMODITY STABILIZATION SERVICE

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

52 Stat. 38.
7 USC 1392. For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393), \$40,135,000, of which not more than \$6,934,400 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938".

SUGAR ACT PROGRAM

61 Stat. 922. For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$74,500,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed \$2,307,000.

CONSERVATION RESERVE PROGRAM

70 Stat. 191,
196. For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837 and 1802-1814), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, \$330,000,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided*, That not to exceed \$12,000,000 shall be available for administrative expenses, of which not less than \$10,000,000 may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938": *Provided further*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants.

52 Stat. 68;
7 USC 1388.

FEDERAL CROP INSURANCE CORPORATION

OPERATING AND ADMINISTRATIVE EXPENSES

For operating and administrative expenses, \$6,376,000.

RURAL ELECTRIFICATION ADMINISTRATION

49 Stat. 1363. To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

LOAN AUTHORIZATIONS

49 Stat. 1365;
7 USC 907.
7 USC 903. For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said

Act, as follows: Rural electrification program, \$110,000,000; and rural telephone program, \$80,000,000; and additional amounts, not to exceed \$60,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1961 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$9,632,000.

58 Stat. 742.
60 Stat. 810.

FARMERS HOME ADMINISTRATION

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000-1031); the Farmers Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U.S.C. 436-439); the Act of August 28, 1937, as amended (16 U.S.C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U.S.C. 590y, z-1 and z-10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U.S.C. 1033-1039), as follows:

50 Stat. 522.

60 Stat. 711.

50 Stat. 869;

68 Stat. 735.

63 Stat. 432.

64 Stat. 98.

54 Stat. 1119,

1120, 1125.

64 Stat. 769.

LOAN AUTHORIZATIONS

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities, except that such advances under title V of the Housing Act of 1949, as amended, shall be made from funds obtained under section 511 of that Act, as amended): Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, \$26,900,000, of which not to exceed \$2,500,000 may be distributed to States and territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands; title II of the Bankhead-Jones Farm Tenant Act, as amended, \$197,100,000; the Act of August 28, 1937, as amended, \$3,000,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952: *Provided further*, That an additional amount, not to exceed \$40,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1961 under the then existing conditions for the expeditious and

60 Stat. 1070.

7 USC 1024.

63 Stat. 432, 438,

42 USC 1471, 1481.

60 Stat. 1072, 1067

7 USC 1001-1005d,

1006c-e, 1017; 12

USC 84, 371.

7 USC 1007-1009.

50 Stat. 869.

16 USC 590r-590x-4

65 Stat. 225.

74 STAT., 241.

50 Stat. 522. orderly conduct of the loan programs under the Bankhead-Jones
7 USC 1000. Farm Tenant Act, as amended, not to exceed \$5,000,000 of which shall
60 Stat. 1072, be available for loans under title I and section 43 of title IV of such
1067. Act, as amended.

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages,
the servicing and collecting of loans made under prior authority,
the liquidation of assets transferred to Farmers Home Administration,
and other administrative expenses, \$31,050,000, together with a trans-
fer of not to exceed \$1,050,000 of the fees and administrative expense
charges made available by subsections (d) and (e) of section 12 of
60 Stat. 1076. the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C.
68 Stat. 736. 1005 (b)), and section 10 (c) of the Act of August 28, 1937, as amended.
16 USC 590x-
3(c).

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the
use of law libraries by attorneys in the field service, \$3,358,000.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For expenses of the Office of the Secretary of Agriculture; expenses
of the National Agricultural Advisory Commission; stationery, sup-
plies, materials, and equipment; freight, express, and drayage charges;
advertising of bids, communication service, postage, washing towels,
repairs and alterations, and other miscellaneous supplies and expenses
not otherwise provided for and necessary for the practical and efficient
work of the Department of Agriculture, \$2,899,500: *Provided*, That
this appropriation shall be reimbursed from applicable appropriations
for travel expenses incident to the holding of hearings as required by
60 Stat. 237. the Administrative Procedure Act (5 U.S.C. 1001).

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dis-
semination of agricultural information and the coordination of infor-
mational work and programs authorized by Congress in the
Department, \$1,488,000, of which total appropriation not to exceed
\$537,000 may be used for farmers' bulletins, which shall be adapted
to the interests of the people of the different sections of the country,
an equal proportion of four-fifths of which shall be delivered to or
sent out under the addressed franks furnished by the Senators, Repre-
sentatives, and Delegates in Congress, as they shall direct (7 U.S.C.
34 Stat. 690. 417), and not less than one hundred seventy-four thousand and seven
hundred and thirty-six copies for the use of the Senate and House of
Representatives of part 2 of the annual report of the Secretary (known
as the Yearbook of Agriculture) as authorized by section 73 of the
28 Stat. 612. Act of January 12, 1895 (44 U.S.C. 241), and for reprinting the 1959
yearbook "Food" for the use of the Senate and House of Representa-
tives, respectively, of eighty-seven thousand and three hundred and
sixty-eight copies (for which not to exceed \$67,300 shall be available):
Provided, That in the preparation of motion pictures or exhibits by
the Department, not exceeding a total of \$10,000 may be used for

employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). 58 Stat. 742.
60 Stat. 810.

LIBRARY

SALARIES AND EXPENSES

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, \$895,000.

TITLE II—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1961 for such corporation or agency, except as hereinafter provided: 61 Stat. 584.
31 USC 849.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$2,630,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

RESTORATION OF CAPITAL IMPAIRMENT

To partially restore the capital impairment of the Commodity Credit Corporation determined by the appraisals of June 30, 1959, and June 30, 1960, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a-1), \$1,226,500,000. 52 Stat. 107.

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL ACTIVITIES

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, 1960 (including interest through date of recovery), as follows: (1) \$32,572,000 under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642); 63 Stat. 945.
(2) \$107,094,000 for commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of the Act of July 10, 1954, as amended (7 U.S.C. 1703, 1721-1724); 68 Stat. 457.
(3) \$881,000,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701-1709); 68 Stat. 455.
(4) \$18,000 for grain made available to the Secretary of the Interior to prevent crop damage by migratory waterfowl pursuant to the Act of July 3, 1956 (7 U.S.C. 442-446); 70 Stat. 492.
(5) \$422,950,000 for strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856): 70 Stat. 200.
Provided, That the unexpended balances of funds heretofore provided for the various purposes under this head may remain available until expended for the purposes for which appropriated and may be merged with the funds provided in this paragraph.

LIMITATION ON ADMINISTRATIVE EXPENSES

31 USC 665.

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$45,726,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, (1) That no part of this authorization shall be used to formulate or carry out a price-support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of any agricultural commodity declared by the Secretary to be in surplus supply, unless (a) such person shall reduce his production of such commodity from that which such person produced the preceding year, in such percentage, not to exceed 20 per centum, as the Secretary may determine to be essential to bring production in line within a reasonable period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (b) such person shall agree to repay all amounts advanced in excess of \$50,000 for any agricultural commodity within twelve months from the date of the advance of such funds or at such later date as the Secretary may determine, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision.

TITLE III—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$2,480,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

FEDERAL FARM MORTGAGE CORPORATION FUND

The Federal Farm Mortgage Corporation is authorized to make such expenditures, within available funds and in accordance with law, as may be necessary to liquidate its assets: *Provided*, That funds realized from the liquidation of assets which are determined by the Board of Directors to be in excess of the requirements for expenses of liquidation shall be declared as dividends which shall be paid into the general fund of the Treasury.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed three hundred and thirty-seven passenger motor vehicles, of which three hundred and thirty-two shall be for replacement only, and for the hire of such vehicles.

Passenger motor vehicles.

SEC. 402. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

Employment of aliens.

SEC. 403. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

Uniform allowances.

SEC. 404. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

68 Stat. 1114.
Limitations.

SEC. 405. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 406. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat. 1793), shall be available for contracting in accordance with said Acts.

60 Stat. 1082-1091.

SEC. 407. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

68 Stat. 574.

This Act may be cited as the "Department of Agriculture and Farm Credit Administration Appropriation Act, 1961".

Short title.

Approved June 29, 1960.

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